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No. 124

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, July 28, 2008, at 11 a.m.

Senate

SATURDAY, JULY 26, 2008

The Senate met at 9 a.m. and was called to order by the Honorable JACK REED, a Senator from the State of Rhode Island.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Almighty God, who has watched over us from generation to generation, in prosperity and adversity, in peace and in war, we commit this great land into Your sovereign hands. Unite the Members of this body in heart, mind, and soul, that they may exert their best efforts for America's common good. Keep them so dedicated to You that they will do justly, love mercy, and walk humbly with You all their days. Lord, give them the assurance of Your grace, comfort, and strength. Fill them with Your spirit so that their decisions will be controlled by You. Lord, bring peace to our world. Disarm weapons, silence guns, and put out ancient hate that smolders still.

We pray in the Name of Him whose rule is above all nations. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication

to the Senate from the President pro tempore (Mr. BYRD).

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 26, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REED thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following leader remarks, the time until 11 will be equally divided and controlled by the two leaders or their designees. At 11 a.m., the Senate will proceed to two stacked rollcall votes. The first vote will be on the motion to concur with respect to H.R. 3221, the housing reform legislation. The second vote will be on the motion to invoke cloture on the

motion to proceed to S. 3186, the Low-Income Home Energy Assistance Program, LIHEAP. The last 20 minutes prior to the 11 o'clock vote, it is my understanding, and I direct this to the Chair, has been reserved for Senator MCCONNELL and me. I have the last 10 minutes; is that right?

The ACTING PRESIDENT pro tempore. The majority leader is correct.

AMERICAN HOUSING RESCUE AND FORECLOSURE PREVENTION ACT OF 2008

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to concur with respect to H.R. 3221, which the clerk will report.

The bill clerk read as follows:

A message from the House of Representatives to accompany H.R. 3221, an act to provide needed housing reform, and for other purposes.

Pending:

Reid motion to concur in the amendment of the House of Representatives to the amendment of the Senate to the amendments of the House to the amendment of the Senate to the bill.

Reid motion to concur in the amendment of the House of Representatives to the amendment of the Senate to the amendments of the House to the amendment of the Senate to the bill, with amendment No. 5103, to establish the effective date.

Reid amendment No. 5104 (to amendment No. 5103), to change the enactment date.

The ACTING PRESIDENT pro tempore. Under the previous order, the

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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time until 11 a.m. shall be equally divided between the two leaders or their designees.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. KYL. Mr. President, I will take the leader time, if Senator MCCONNELL is not here.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KYL. Further, that the remaining time on the Republican side be allocated as follows: Senator DEMINT, 20 minutes; Senator HUTCHISON, 5 minutes; Senator DOMENICI, 7 minutes; Senator SHELBY, 7 minutes.

Mr. REID. Mr. President, I have a question for the distinguished Republican whip.

You are going to take the minority leader's 10 minutes prior to the 11 o'clock vote?

Mr. KYL. No, Mr. President. I would take not to exceed 10 minutes right now.

Mr. REID. Mr. President, I am happy to ask consent that the Senator have that, but he is not entitled to leader time. If he wants an extra 10 minutes, that is fine with me.

Mr. KYL. I am not requesting an extra 10 minutes. Following my 10 minutes of remarks now, the other time is allocated to complete the total of the Republican time, the time allocated to our side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENERGY

Mr. KYL. Mr. President, we are engaged in a somewhat rare Saturday session this morning. One might ask, what is the purpose for this session? In addition to voting on important housing legislation, the other vote the Senate will cast today is a very important vote. It is whether we are going to end our discussion and our effort to deal with America's biggest challenge on the domestic front—namely, the high price of gasoline and high price of fuel, which drives prices of everything else—or whether we will move on to other matters, other matters that are, at least in the eyes of the American people, far less important than dealing with this important energy crisis. There is no question that the American people believe our biggest challenge right now, a challenge that should be faced up to by Congress, is dealing with high gas prices. The Democratic majority would like to move on.

The second vote we have this morning is to move on, to move off of the energy and gas price debate and to move on to another bill. If that is unsuccessful, then next week they intend to move on to something else. Republicans will say no. We need to stay here and complete our work on this important gas price reduction legislation, and we should not leave here until we act.

Yesterday, the Washington Post had a somewhat critical editorial of the

Democratic majority's position in the House and Senate. The title of it was "No Drilling, No Vote." It begins:

Why not have a vote on offshore drilling? There's a serious debate to be had over whether Congress should lift the ban on drilling in the Outer Continental Shelf that has been in place since 1981.

It concludes:

If drilling opponents really have the better of the argument, why are they so worried about letting it come to a vote?

That is our view. Why shouldn't we have a vote?

The Republican leader came to the floor earlier this week and asked unanimous consent that we consider six or seven amendments, the very first one of which was to enable us to drill offshore. The majority leader objected to that request. It is fairly obvious that the amendment or something like it would pass because there are Members on both sides of the aisle who appreciate the fact that the first thing we should do to resolve this crisis is to have more American production. Republicans don't believe this is the only solution. Nobody believes drilling solves the problem. But most experts would agree it is the biggest first step, the one thing we could do that would make the most difference. We believe it is important to produce more and use less, meaning, to produce more by offshore drilling in the deep waters off the Gulf of Mexico, to take advantage of oil shale we have available, the vast resources in Alaska, and other resources that are American resources that can solve this American problem and get us off dependence on foreign oil.

There are other sources for electricity. We support increased nuclear production, wind, solar, and coal gasification and liquefaction. We also support more conservation. That is the "use less" component, including being able to transport ourselves in automobiles that use battery technology. The Democratic bill, on the other hand, deals with one subject: it puts the blame on so-called speculators and says that is where we should solve the problem. Not one drop of oil would be produced, not one bit of natural gas would be produced by the Democratic legislation.

Republicans agree that the CFTC, the regulatory body, needs more resources. It demonstrated its ability to work by announcing this week that it is going after some people who are trying to manipulate the market. We agree that they need all of the funding and employees to do their job as possible, but clearly, it is not the answer to the problem.

Here is what is happening. The market looks out a few months and says: What will the supply be; what will demand be? What it has seen is that demand is increasing dramatically, and it sees supply either flat or declining. It sets the price accordingly. It sets the price going up. My colleague JOHN MCCAIN is right: When the market sees we are serious about increasing produc-

tion, market prices will go down accordingly.

We have American energy. We need to free it up for the American people. But the Democrats' game here is a very cynical one: Let's just have two amendments. Let's have a face-off between a Democratic proposal and a Republican proposal. It is the same old politics. Neither side wins, and that is the way it is set up. The American people lose.

Republicans have a better idea. Let's work on a bill one bite at a time. If it is too tough to do this in one giant swallow, then let's build consensus from the bottom up with people on both sides of the aisle agreeing to the components of the legislation. We can do this in a bipartisan way, and we can do it within a week. But until we get somewhere on gas prices, we shouldn't quit and move on to something less important in the eyes of the American people.

I ask unanimous consent that, at the conclusion of my remarks, a short statement be printed in the RECORD that deals with the contribution of a weak dollar to high oil prices.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KYL. This makes the point that there is a direct connection between the weak dollar and the high oil prices Americans are having to pay at the pump. It makes the point that if the dollar were stronger, it would take fewer dollars to buy the same amount of gasoline. That is something additional we can do. That is primarily not a congressional matter but a matter for the Federal Reserve and the Department of the Treasury, primarily the Federal Reserve.

All of these are ways we can deal with the problem of the high cost at the pump. We need to address all of these issues. But until we have addressed them, we should not move off of the legislation and take up something that is less important. The only exception to that is the housing bill we will vote on next. We have complete agreement to do that. Then when that is concluded, we will move back to the energy debate we have been having, the debate on how we can reduce the cost of gasoline at the pump. The American people expect us to do that, and we should complete that work before we leave for our August recess.

EXHIBIT 1

S. 3268 "STOP OIL SPECULATION NOW" A WEAK DOLLAR CONTRIBUTES TO HIGH OIL PRICES

At \$124 a barrel, oil prices are still close to record highs, and the weakness of the American dollar has a lot to do with it.

Often the increase in oil prices can be attributed to political turmoil in the Middle East or a significant supply issue (as occurred after Hurricane Katrina). While these are factors today, there is another reason you could see an increase in the price at the pump.

Since January 2007, while oil prices have more than doubled, the American dollar's

value has decreased by approximately 13 percent. As the economy has slowed, the Federal Reserve has dropped the Federal Funds rate numerous times over the past year—a total reduction of 3.25 percentage points since January 2007. Dropping the interest rate is meant to stimulate the U.S. economy, but it also weakens the dollar.

The American dollar is the currency used by the Organization of the Petroleum Exporting Countries (OPEC), the conglomerate of oil producing nations that sets global oil prices. Thus, any fluctuations in the value of our dollar are reflected in the price of oil.

As our dollar falls in value relative to the euro, yen, or price of gold, the price of oil goes up. Since oil is priced using the American dollar, what Americans pay for oil will increase to compensate for this change.

At the same time, however, other nations are shielded from the same oil price increase because their own currencies are more valuable than the dollar. European and Asian countries (among others) are importing their oil for significantly less than what Americans are paying. Europeans pay just 79 euros for a barrel of oil while Americans pay more than \$124. Returning the U.S. to a “strong dollar policy” would greatly reduce the price U.S. consumers pay for oil.

Confidence in the value of the U.S. dollar is also vital to American financial competitiveness. A weak dollar makes investment in foreign markets more attractive, particularly for those who seek to diversify their portfolios as our economy slows. Further dollar weakness could precipitate a dramatic shift of money from domestic to foreign markets.

The key idea to understand here is that the value of our American dollar is an important consideration to the investor and consumer confidence. Without this confidence, our economy will have a difficult time avoiding recession.

So these are several reasons why it is in our nation's best interest to support a stronger U.S. dollar. Economist David Malpass wrote in a recent Wall Street Journal op-ed, “A strong, stable currency is itself one of a country's most valuable fundamentals, not a byproduct of other fundamentals. Our fundamentals haven't been nearly as bad as the dollar's seven year slide. More likely, the weak dollar trend is itself a bad economic fundamental, masking health elsewhere.”

THE FEDERAL RESERVE SHOULD FOCUS ON FIGHTING INFLATION

There are two things that can be done to better the dollar. First, the Federal Reserve should switch its focus from maintaining economic stability to fighting inflation. In periods of slower economic growth the Federal Reserve traditionally responds by reducing short-term interest rates, but that can exacerbate inflation, which has increased substantially—growing at 4.9 percent in June from the same time a year ago.

Note that while the dollar has fallen, the euro remains relatively strong because the European Central Bank (ECB) has not only refrained from lowering interest rates due to their concerns about global inflation but actually raised their target interest rate to 4.25 percent on July 3rd.

The Federal Reserve needs to follow the ECB's lead and resist the political pressure to cut interest rates in order to stabilize the value of the dollar.

The second thing would be for Congress to begin to make our current, relatively low, tax rates permanent.

Our currency is the foundation for our economy; without a strong dollar our economy will not be able to achieve the stability that is necessary to control oil prices or the economy.

The ACTING PRESIDENT pro temore. The Senator from Illinois.

Mr. DURBIN. Mr. President, at this moment in the U.S. Capitol, there are scores, if not hundreds, of employees at work. It is unusual for most of them to be here on a Saturday, but sometimes it is necessary. It is unusual for the Senate to be in session on a Saturday, but sometimes it is necessary. One can certainly argue that when the United States is facing a serious issue, we should be at work, whether it requires our being here on Saturday, Sunday, or all the days of the week. That is what we were elected to do.

Certainly, the housing bill, which is before us now, is a matter of grave concern to many of us who see across America foreclosures that are taking away the homes of many American families and affecting the value of millions of other homes. But this could have been done yesterday. In fact, it could have been done weeks ago.

Six different times, the Republicans initiated filibusters to stop this housing bill—six different times. They have set all the records in the Senate for filibusters, and they applied six of them to the housing bill.

To add insult to injury, they added a day of session, a totally unnecessary day of session for which we are meeting this morning. This could have been sent to the President yesterday. He could have signed it, bringing some assurance and confidence to consumers across America that maybe this housing crisis can be put behind us and this economy can move forward. But one Senator, the Senator from South Carolina, insisted that the Members of the Senate all stay here today.

It is the second time in 2 weeks he has taken away a day of our lives with our families. This time the Senator from South Carolina is going to be here for the vote he has asked for, and I think that is good. It certainly is his right to do that.

You say to yourself: There must be some matter of great moment that would have him keep the entire Senate here for an extra day, cause us to ask scores, if not hundreds, of people to come and work that extra day. Well, what is that issue? The issue is whether we are going to put some language in to limit or prohibit two Federal agencies—Fannie Mae and Freddie Mac—from having lobbyists on Capitol Hill. It is a good issue. I might even vote with him on this issue. But to think he would hold the Senate for another day, make us open this session and bring all those people to work for this amendment on a bill which we know must pass, which the President has urged us to pass, is hard to understand.

It is his right to do it. It is any Senator's right to do it. But there comes a point when you step back and say: We can fight this battle another day. This is not a life-or-death issue. This is not an issue that has to be decided on this Saturday or else.

But we are here. We are here to face this issue, deal with the housing bill, which I hope will pass. President Bush initially opposed this bill. The President said there were provisions in here he could not accept. But then there was a serious concern across America as to whether these critical agencies—Fannie Mae and Freddie Mac, which are involved in standing behind almost half the mortgages in America—were being threatened.

I got a personal call from Secretary Henry Paulson, our Secretary of the Treasury, at home last week. He said: We have to do something. This is an emergency. I said to Secretary Paulson: I think you are right. I may not agree exactly with your approach, but there comes a time when we have to rise together, on a bipartisan basis, and deal with a serious crisis. This could be a crisis if we do not act.

I said to him: Would you urge the Republican Members of the Senate to have the same sense of urgency in passing this housing bill that I hear in your voice? He said he would try. Well, he was not very successful. Six different times the Republicans have tried to stop this housing bill with a filibuster and now have dragged us into a Saturday session here to slow it down again.

But today, with any luck, it will pass, and finally we will send it to the President's desk. The President said he is prepared to sign it. This is too serious an issue for him to stand in the way. I am glad the President has made that decision. I do not think it is going to turn around the American economy, but we know the housing crisis certainly started us on the skids that are leading us toward a recession. There are much bigger issues in our economy that need to be resolved even beyond housing.

The simple fact is, the overwhelming majority of Americans are worried and angry—worried about their own financial situation. They have seen the values of their homes plummet. They have seen their retirement savings diminished by a stock market that is unpredictable. They know the cost of gasoline is taking more money out of their wallets and credit cards every single week. A trip to the food store is a little more expensive than it used to be. It costs more money to put those kids through school. And if you get stuck with medical bills now, it could break the bank and empty your savings account.

That is the reality of life in America today. The Bush economic policy has failed. This notion that we can somehow give tax breaks to the wealthiest people in America and prosper as a nation never did make sense and has resulted in the mess we have today. This notion that we can wage a war and spend \$12 billion to \$15 billion a month for almost 6 years now and not suffer some problems in America as a result never made sense. It does not make sense today. Each month the administration adds that money to the deficit,

piling up more debt on America's kids, debt that is currently financed by foreign governments that step in and buy America's mortgages. What a legacy: an economy that is so weak that people are worried and even angry; a prospect of more of the same, unless there is a real change in Washington; and when it comes to the Senate, a slowdown. Let's slow it down with six filibusters when it comes to a housing bill. Let's make the Senate meet on a Saturday. Let's keep them in. Let's try to slow this down even more. That is the Republican approach. It is not a good approach.

I think there are Republican Senators of good will who understand we can do better. Let me point out one: Senator RICHARD SHELBY of Alabama. He stepped up. As the ranking Republican on the Banking Committee, he and Senator CHRIS DODD, our Democratic chairman, worked together to get this bill done. I salute him and all who helped him bring this bill to the floor. That is the kind of bipartisan spirit we need: that sense of urgency, that sense of bringing the bill to the floor to do something for our Nation. I wish his voice had prevailed in the Republican conference and all those filibusters had not taken place and this unnecessary Saturday session had not taken place. But the decision was made by the leadership to allow this to go forward, and that is their decision.

ENERGY

Mr. President, I will say a word about what Senator KYL addressed on the energy package. It is hard for me to understand how my friend from Arizona—and he is my friend—could stand here and suggest we have stopped the Republicans from offering their solution to deal with America's energy crisis. We did not. Senator KYL knows we said to them: Put together your package and bring it to the floor. We will do the same. Let's have two competing ideas. Let's debate them. Let's give them the same vote. And then let's decide.

That is what we are supposed to do, isn't it? We are elected, on a bipartisan basis, to try to solve problems. With 51 Democrats and 49 Republicans, things have to be done on a bipartisan basis for most important issues. But Senator KYL and Senator MCCONNELL, on the Republican side, rejected that. They said: No, we want to start an amendment process. Let's see how this unfolds. Let's bring out seven amendments to start with and you can bring out whatever you want and let's talk it over and let's go through the debate. Unfortunately, that would have led to nothing because we have a deadline facing us. Coming in just a few days, we are going to break for our August recess. We could have been mired down in the debate with an endless number of amendments and nothing would have happened.

The American people want something to happen. They want us to deal with this energy crisis, and they understand

simply saying we are going to drill for more oil, on its face, does not make sense. The United States, in all of its oil reserves we can identify and think of, has about 3 percent of the world's supply of oil. But we are big oil consumers in this country. We consume 25 percent of the oil produced in the world each year. Mr. President, 3 percent available, 25 percent consumption.

As T. Boone Pickens, now the patriarch, I guess, of energy policy, said: We can't drill our way out of this problem. T. Boone Pickens is an oilman. He knows we need more. We need responsible exploration and production. We need to use the land we have already leased. We need to tell the oil and gas companies that are reporting record profits: Get to work, find those sources of oil that you already think are there in this leased Federal land, and go after them. Do it in a responsible way. Do not pollute our beaches and do not pollute our Nation. Do it in a sensible and responsible way. I think all of us would endorse that. I hope that is what the Republicans stand for too.

But it is not enough. We need conservation and fuel efficiency. We need cars and trucks that get much better miles per gallon. We need to be thinking about the buildings that are being constructed and the lives we lead and how, in small and large ways, we can change our energy consumption without compromising our economy. We need to be thinking about renewable, sustainable sources.

It breaks my heart that three different times we brought to the floor this energy tax extender, which would create tax incentives for more renewable, sustainable energy—wind power, solar power, the kinds of things that do not pollute, do not create global warming but do create electricity and energy for families and businesses in America's economy—and we lost it. We could not bring enough Republican votes forward to vote for it three different times.

A major company in my State came to visit me, a man from this company this week, who said: I am facing bankruptcy if you don't accept the responsibility of extending these tax credits. I believed you when the Congress said: We need a new American energy policy. I invested my hard-earned money in it. I am employing people around the country. We are building these wind turbines. Why don't you do your part and extend this tax credit?

But, unfortunately, we have not been able to rally the Republican votes that are necessary to do it. We will have another try at it this week. I hope they will reconsider their position and think—forward think—about the energy policy of this country. That is the reality. If we can start bringing down gas prices and stabilize them, if we can start looking ahead to new sources of energy, if we can start creating new companies, new technology, new jobs, new opportunities, then we clearly will have a better future in the 21st century.

I wish to help—and I am sure everyone in the Senate does—these families deal with the reality of energy costs. We can do it.

LIHEAP

Mr. President, we are going to have a LIHEAP bill later today. This is a bill for the poorest in our country, the elderly, the disabled, people who cannot afford to pay their utility bills in the summer and the winter, and we give them a helping hand. Let's extend that too.

For goodness sakes, these folks are barely getting by at the moment. We ought to give them that helping hand. Today, we will have a chance to vote on it.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina.

Mr. DEMINT. Thank you, Mr. President. Good morning.

I have a parliamentary inquiry: Who in this Senate has the last word on when votes are scheduled?

The ACTING PRESIDENT pro tempore. The scheduling is done by the leadership, and typically it is done by unanimous consent involving both the majority leader and the minority leader.

Mr. DEMINT. But the majority leader has to agree. And further parliamentary inquiry: Is it not true that the majority leader scheduled two votes today by filing cloture earlier this week when these would ripen today?

The ACTING PRESIDENT pro tempore. Under the rules of the Senate, the cloture motions do ripen today.

Mr. DEMINT. Thank you, Mr. President.

Mr. DURBIN. Parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. Will the Senator yield for an inquiry?

Mr. DEMINT. I would like to proceed with my time, if I could. I thank you. Certainly, the majority whip will have his say again when we are through.

The Democratic majority leader announced to all of us about a month ago that we would be here this weekend because there were some bills he wanted to get through. And so those Americans looking in who are not that interested in all our procedures and carrying on here—the majority leader scheduled that there would be two final votes today, Saturday. He told us, as Republicans, we could have no amendments on these bills, and then he demanded that we give unanimous agreement that we move those votes he had scheduled back to Friday or even Thursday. Now, they are complaining about a Republican who has no authority when we schedule votes, complaining that somehow I scheduled these votes today. I guess a lot of Members are naive and believe that. But I do not think Americans buy it.

I know a number of folks are disappointed we are here on Saturday and not somewhere else. But I am not worried about how disappointed Members

of Congress are. I know Americans are very disappointed, not that we are here on Saturday but that we are not working every day of the week, 24 hours a day, to address the major issues in this country.

They are disappointed, and we know they are. In fact, Americans think less of this Democratic Congress than Americans ever have of any Congress in history. And it is not just the Democrats. I am very disappointed myself. I came here—I came to the House 10 years ago—with great hopes that I could be a part of addressing major issues facing our country and create a generation of opportunity by helping Americans and helping freedom work for everyone.

I have been disappointed that it has been increasingly obvious that the Democrats are so controlled by a few interest groups—the union bosses, the plaintiffs' lawyers, environmental extremists—that they are afraid to allow their Members to take votes that would tell Americans where they stand because they do not want to offend these interest groups.

Now, I am equally critical of Republicans because I have been disappointed in them as well because many of them have lost sight of what we believe, what we came here for, and have lost the courage to fight for it. So many times the scenario of bills that are coming through here is: In order to check the box, Republicans agree to add Democratic policy that continues to expand Government.

The Senator from Illinois has complained about these filibusters. Again, it is these mysterious procedures that we have in the Senate that he remarkably calls filibusters: when they put a bill on the floor and then they file a motion to cut off debate; and when we do not agree to cut off debate, they call that a filibuster.

Americans should know, in this Congress, 855 bills have passed in secret—no vote, no amendment, no floor debate. Ninety-four percent of everything we have passed in the Senate has gone by what they call unanimous consent. Now, some of these are legitimate unanimous consent bills—naming a post office and other things.

Americans should also know this housing bill has major implications not only for spending but for government taking control of private sector businesses, taking ownership of private property, putting the taxpayer on the line for billions and possibly more. They wanted this bill passed in secret, by unanimous consent, without anyone knowing what is in it. I want to talk about what is in it.

Last week, we had a \$50 billion foreign aid bill that they wanted passed by unanimous consent, in secret. When some of us step up and say: No, this is too important; we need to bring it to the floor and maybe have an open debate and allow a few amendments, that is what the Senator from Illinois calls a filibuster. This is no way to do busi-

ness, but it is the way this Congress has gotten America in so much trouble today.

As I speak about a few issues, I wish to keep one issue in front of everyone, because as bills come through here, there is always justification: It is a farm bill; we have to vote with the farmers. It is a veterans bill; we have to vote for veterans. It is a housing bill; we have to vote for homeowners and homebuilders and realtors. We should consider what our own Congressional Budget Office and the administration is projecting. Beginning right now, in 2008, the expansion of debt in America is going to do more to hurt our economy and hurt everyday Americans than anything we are doing here. Yet we never even talk about things we could cut, wasteful programs we could fix. What we talk about is basically appealing to interest groups by passing one thing after another that is designed to attract constituencies and votes and campaign contributions from different groups.

Yes, I am disappointed, and I know Americans are too.

As we talk about the energy debate—and again, I will criticize Republicans and Democrats, but when it comes to this one, there is no issue clearer in terms of who has restricted the supply of American energy over the last 20 years. This has clearly been a partisan issue: the Democrats responding to extreme environmentalists, going back to President Carter's years when he cut off the development of nuclear energy, the recycling of nuclear waste. President Clinton vetoed, a little over 10 years ago, the development of oil reserves in Alaska. Democrats voted almost unanimously to stop us from developing our oil and natural gas reserves in this country. Like the old Steve Erkle of "Family Matters," now they are standing here and saying: Did I do that? They are trying to blame big oil and speculators and George Bush and everyone but themselves, but on this issue there is probably nothing clearer of how this Congress has caused America a huge problem, and now they are saying we are going to save America.

The Democrats will not allow an open debate and open amendments, as is the tradition of this Senate. They will not allow their Members to take votes on drilling and deep sea exploration in America or a separate vote on developing the oil shale in this country or expediting the development of our nuclear capabilities. They won't allow these amendments to come to the floor for the reasons I have already mentioned. They don't want Americans to know where they stand, and they want to appease the extreme environmentalists. They are trying to have it both ways. That is why we are stuck in doing nothing here, because instead of doing what the Senate has done for literally centuries, we are here trying to protect Democrat Members so they don't have to take the tough votes.

I wish to use one quote from my distinguished colleague from Illinois, because he is suggesting that he wants an open debate when, in fact, we are not allowed to pick our own amendments. Please be clear. The Democrats are not allowing Republicans to offer our own amendments. They want to select one amendment for us and say that is our bill, and now that we want a full debate, they are saying we won't take their generous offer.

The Senator from Illinois said in March:

My good friend, the late Congressman from Oklahoma, Mike Synar, used to say: If you don't want to fight fires, don't be a firefighter. If you don't want to stop crime, don't be a policeman, and if you don't want to vote on tough issues, don't run for Congress.

I agree with him.

States Senator DURBIN.

I don't like facing tough votes, but it is a part of the job. You ought to at least have enough confidence in your beliefs to cast that vote and go home and explain it.

The Senator has even indicated that the one vote I would like on my amendment to this housing bill he might support. Yet he won't allow me a vote—not this week, not next week, not in September. I offered to allow the majority to schedule this vote any time, not attach it to the Housing bill, not slow it up 1 minute. The housing bill could have gone to the President on Thursday, but they are so afraid of voting on an amendment that would cut off campaign contributions to Democratic colleagues and cut off the lobbying of the organization we are talking about bailing out that they will not allow a straight-up vote so America can see where they stand.

This Congress is the Steve Erkle Congress. If you go back during the Congress and see what we have done even before—well, think of the big amnesty bill that was pushed through here. Only a few of us looked at the bill. We discovered that how it was promoted was not true. It would not control our borders. It would not create a workable immigration system. Basically all it did is reward people who came here illegally. But by letting the American people know what was in the bill—putting it on the Internet, talking to bloggers, radio talk shows and holding the bill through a debate period—Americans rose up and said: No. We figured you out, Congress, and we are not going to do it. Millions of Americans stopped this Congress from passing that amnesty bill.

Millions of Americans are standing up as we make them more aware of the thousands of earmarks to special interests and friends back home that this Congress spends most of the year doing instead of addressing priorities. Americans are standing up. They are on to Congress, and we are going to keep pushing the Democratic majority to do something about this wasteful spending.

In a few years, the same people who had voted time after time to spend the

Social Security surplus on other things—and believe me, it has been 100 percent on the Democratic side. I have offered an amendment to stop the raid on Social Security and the Democrats have stood up every time and voted it down, so there is not one dime of money saved for Social Security because of Democratic spending. In a few years, those Democrats are going to be standing up blaming someone else. This time it might not be big oil or the speculators, but they will be calling for an investigation, because in less than 10 years, the money coming in for Social Security is not going to be enough to pay the benefits. My Democratic colleagues will be calling for an investigation: Who stole the money from the trust fund? They will be hoping the American people forget how they voted.

We see the same thing on health care every day. They complain about the uninsured Americans, but when I put a bill on the floor that would allow individual Americans to at least do what businesses do and deduct the cost of their health insurance as we allow businesses to do, every Democrat voted against that, because they don't want Americans to own health insurance. They want the Government to take over health care. So at every point we try to expand health insurance, they try to kill it.

I could go on and on about this dysfunctional, disappointing Congress, but I guess I should move to housing and talk a little bit about the bill that is on the floor today.

Could I inquire how much time I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from South Carolina has 5½ minutes remaining.

Mr. DEMINT. Well, I better move quickly here. Again, this is a bill they want to pass in secret with very little debate. I have asked for one amendment—one amendment to stop the lobbying.

This is not a good chart, but hopefully I can make the point. This is the taxpayer at the top. This is Congress. This is Fannie Mae and Freddie Mac. Years ago, Congress created Fannie Mae and Freddie Mac as private sector organizations that were supposed to help the mortgage industry and help people buy homes. Certainly it did, but Congress was supposed to watch them because we gave them monopoly status. They received huge tax breaks so no one in the private sector could compete with them, so they grew and grew. The idea was that this Congress would pass the reforms and provide the oversight so that Fannie Mae and Freddie Mac would not get out of control, because effectively when we formed them, we told the markets and the American people the taxpayer was going to guarantee they would not lose money.

What happened is they stopped these reforms of Fannie Mae and Freddie Mac and over the last 10 years they

spent nearly \$200 million in political contributions to Senators and Congressmen, spreading money all around Washington. A lot of think tanks that are supposed to be watchdogs are not watchdogs to Fannie Mae and Freddie Mac because they have spread so much money around.

Now as we ask the American people to come in and put their money into the pot to hold up Fannie Mae and Freddie Mac, the one gesture of good faith as a Congress we could ask is: Hey, that is a conflict of interest. We can't have the people who are supposed to watch over these organizations getting money from these organizations. At least if we are going to ask the American taxpayer to be on the hook for billions, possibly trillions of dollars, let's stop this. So I said that is all I want, one amendment, 15 minutes of debate, and then you can have your housing bill, even though it is a terrible bill. They said no. They said no. We are going to keep Members here Saturday to keep you from having your amendment.

There are a lot of problems with this bill, but it doesn't matter. Here it is. It is almost 700 pages. Not one Senator has read it. There are lots of little goodies stuck in there. There is one we found, an earmark on page 616 that overturns an IRS ruling where low-income housing—which is supposed to be for the general public and not discriminate—that they can discriminate for social organizations such as art colonies. Then we find an organization, Artspace, that develops low-income housing and gives it to these artistic colonies, one of their board members happens to be the executive director of the Fannie Mae foundation.

Folks, this bill needs to be aired out for weeks, if not months. They want to rush it through. We kept them here on Saturday so the American people could find out a little bit more about what is in it. But no matter what is wrong with it, most of the Members of this Senate are going to come in and vote for it and check the box and go home and say they did something about housing. I am afraid they may compromise the future of America as they do it.

I am sure I am about to run out of time. I know this is a lost cause and I am not going to stop this bill, but I am disappointed, the American people are disappointed, and what we have done by keeping the Democrats and the Republicans here today is maybe give Americans a little more time to see what this Congress is doing to their future.

With that, Mr. President, I reserve the remainder of my time and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, after hearing the Senator from South Carolina, it is time we initiate an investigation. I think we ought to call the Sergeant at Arms Office. Something ter-

rible has happened here. Apparently, the pages on the Republican side of the aisle are not distributing the CONGRESSIONAL RECORD to the Republican Members. The Senator from South Carolina says we are about to vote on a secret bill that no one has seen. Clearly, the pages have failed to put the CONGRESSIONAL RECORD of July 23 at the desk of the Senator from South Carolina, because if they did, the Senator would find the bill in its entirety printed in the CONGRESSIONAL RECORD.

I am sure the Senator knows this is no new bill. This bill has been around since April. The Senator has had ample opportunity to read his so-called secret bill.

This is terrible that they aren't distributing the CONGRESSIONAL RECORD on the Republican side of the aisle. We have to look into this, as the Senator says he has evidence of 855 secret bills—again, a failure to deliver the CONGRESSIONAL RECORD to the Senator from South Carolina. Every single one of those bills, I say to my colleague, is printed in the CONGRESSIONAL RECORD for him to take home and to read—to read on the plane back and forth to South Carolina. It is all there.

I am sure the Senator from South Carolina has been overlooked because we have something called hotline. Under the hotline, every Senate office is called before every bill is brought to the floor, and any Senator can stop the bill, put a hold on it. Every Senate office is called. For some reason, on the Republican side, the cloakroom is obviously not calling the Senator from South Carolina.

They are trying to get something past him, secret bills. It is a shame. It should be looked into. The Senator is not getting the CONGRESSIONAL RECORDS, the hotline calls, and is being overlooked by his Republican conference. That isn't fair. We need to look into this. For the rest of the Senate—99 other Senators—this is on our desk every day, the CONGRESSIONAL RECORD, printing out every bill in its entirety for us to read, if we want to, or ask our staff to. A hotline call is made over and over every day to let you know a bill might come to the floor. It is not a secret process. The CONGRESSIONAL RECORD is not classified. It is open to the public. It is published so everybody can read it. It is available on the Internet.

So I say to the Senator from South Carolina, let's lift the veil of secrecy and let's start delivering the CONGRESSIONAL RECORD to his desk every day so he can keep up with the Senate and know what is going to be debated and voted on. The Senator has kind of avoided the obvious. The reason we are here today—and we could have been with our families—is because the Senator from South Carolina insisted on it. We tried to get our work done in a way so Members could get back to their families. We could have done it yesterday. The Senator from South Carolina objected. He has a right to do

that. That is why we are here today. Let's not beat around the bush about that.

In terms of quoting former Congressman Mike Synar, I stand by that. We didn't tell the Republicans what they had to offer on the Energy bill. We said put in your package what you want to put in your package. Bring your drilling amendment, your oil shale amendment, your amendment for nuclear power, and all of that was refused. That was refused. We weren't writing a single word of any Republican amendment. That was your right as a Member of the Republican conference to do that. I certainly hope that, incidentally, the Senator from South Carolina, who talked about his amendment on lobbying, would share a copy with us. Right now, it is a secret amendment. The Senator has not shared it with us. We asked for copies of it. I hope maybe he will share that with us.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina is recognized.

Mr. DEMINT. Mr. President, I advise the Senator from Illinois that I have been to the floor asking unanimous consent to offer this amendment, which has been available all week. It is in the cloakroom. The amendment is simple and available. I remind the Senator that when bills appear in the CONGRESSIONAL RECORD, it is after they have passed. As far as the hotlines that come through late at night, I get many calls at the airport from my staff, when we are leaving at the end of the week. That is when these bills go through, and they want to pass them by unanimous consent. Often a copy is only available in the cloakroom. Members have not read them. We are all used to doing business that way, and it is a problem when we start talking about major policies and billions of dollars of money that is spent—certainly on a bill such as this. We may make it available for a few days, so it is not to say it wasn't available, but I know not one Member of the Senate has read it all and seen the special provisions that have been stuck in it.

I ask unanimous consent—to clear up what the Senator from Illinois has said—that next week, when we come back, we have a free and open debate and that the Republicans and all Members be allowed to offer their amendments, without restriction from the Democratic side.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DURBIN. I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. DEMINT. That is what I thought. There is so much doublespeak here. They are saying one thing to the cameras and to America and another thing here. We are not allowed to offer our amendments.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, parliamentary inquiry: What is the order

on the floor? Have we agreed on time? And I think there is some order for speeches.

The ACTING PRESIDENT pro tempore. The Republican time has been divided. The Senator from New Mexico will be granted 7 minutes. The majority time has not been divided, and there are 32 minutes remaining on the majority side.

Mr. DOMENICI. Who is to speak next on the rotation?

The ACTING PRESIDENT pro tempore. There is no specific order. It is an allocation of time to individual Senators.

Mr. DOMENICI. Would the Senator from Maryland wish to speak now?

Mr. CARDIN. I plan to speak for about 10 minutes.

Mr. DOMENICI. Then I will take our 7 minutes now.

Mrs. HUTCHISON. Mr. President, I also have 5 minutes under the previous order, is that correct?

The ACTING PRESIDENT pro tempore. Yes, the Senator has 5 minutes.

Mrs. HUTCHISON. I ask unanimous consent that I be allowed to follow Senator DOMENICI on our side.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I have some remarks I think are very pertinent to what is going on in the Senate regarding energy for the American people. I wish to have answered a couple of the statements the Democratic whip stated regarding these amendments. I don't have time now, but I will soon.

Suffice it to say we don't have a chance to offer amendments. Anybody who says the Republicans are free and open and have an opportunity to offer amendments is not reading the RECORD. The majority leader has fixed it so we can't. I rise to speak about a great amendment for the American people that will be pushed aside because the majority leader has short-circuited the so-called Energy bill. This amendment gets at the heart of what we have been saying we need to do: Find more, use less.

Republicans believe we have a supply-and-demand imbalance, and the amendment I speak about this morning attacks the core of the problem. Republicans want to act on the No. 1 issue facing the American people. We want to act now. We have a great quantity of American resources on the Atlantic and Pacific offshore coasts, and so the first part of the Coleman-Domenici amendment—which we would have sent to the desk, and it could have been pending and we could vote on it, but it is out of order because the majority leader has seen to it that it is out of order. This Coleman-Domenici amendment would have allowed coastal States in those areas to open the waters within their offshore boundaries for leasing 50 miles out. Fifty miles out could not do damage to the sea, the

shores, or to the coastal areas the people want to use for their daily lives. You could not even see the activity 50 miles out.

The States would receive 37.5 percent of the revenues from this production, which could mean literally billions of dollars. When we passed the Gulf of Mexico Security Act of 2006, we opened deep sea areas containing more than 1.25 billion barrels of oil and nearly 6 trillion cubic feet of natural gas. This will provide domestic energy for millions of Americans, and it is roughly estimated to provide up to \$400 million for the Gulf Coast States over the next 10 years, and tens of billions of dollars over the coming decade. When the Atlantic and Pacific States see this money rolling into these coastal States, they will be clamoring for more energy, more revenues, and for the good-paying jobs this great energy enterprise will bring.

Our amendment is clearly a positive on several fronts. The American resources on the Atlantic and Pacific coasts contain 14 billion barrels, at a minimum. I say "a minimum" because we have not been prudent enough, I say to fellow Senators, to spend money to inventory it in an appropriate way—the coastal planes areas—to see how much is there. We know there is a lot. But the estimates are old estimates and, in every case, these old estimates have been very many times wrong. We have had much more in resources than the old estimate would indicate. Now, the 14 billion barrels is more than we have imported from the Persian Gulf over the last 15 years. If people wonder if there is any oil, it is 15 years of importation from the Persian Gulf will be found in these offshore waters. That is a minimum. That is the old estimate, which was done decades ago under old technology.

That is why I have also filed an amendment that provides \$500 million in funding to pay for a real inventory of our national resources offshore. The American people could hardly believe that we are in 2008 with modern technology and we don't know how much oil and natural gas is ours, belongs to our people, which we could use. We don't even know; we haven't bothered to find out.

A few months ago, the people of Brazil set out to explore and develop their own coastal resources. Like us, they knew they had oil offshore. Like us, they didn't know exactly how much. Well, in April, one company started drilling from exploratory wells in a deep water area off of the coast of Rio de Janeiro. To their surprise, they found as much as 33 billion barrels of potentially recoverable oil. Just like that, overnight, Brazil took control of its energy dependence by finding 33 billion barrels of oil. In the words of one of the great energy experts, Daniel Yergin, who I am proud to say is a friend:

Five or six years ago, nobody really thought there was a huge supply off of

Brazil. Now people are saying this could be as big as the North Sea.

To put that quotation into perspective, the North Sea has provided as much as 6 million barrels per day at its peak. Perhaps our amendment could do the same for our people. But we may never know because the majority leader refuses to address the most important issue in America in a serious way. For some reason I can't understand, there remain a number of Democrats—

The ACTING PRESIDENT pro tempore. The Senator used 7 minutes.

Mr. DOMENICI. I ask unanimous consent for 1 more minute to finish.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CARDIN. Mr. President, is there equal distribution of time to be added to the majority?

Mr. DOMENICI. Surely.

The ACTING PRESIDENT pro tempore. Yes.

Mr. DOMENICI. Mr. President, the second part of the amendment addresses the issue of using less. We have all heard about electric cars, and we know if we can get these batteries up to where they will do 100 miles before they need to be recharged, we will have electric batteries sprouting up all over America. That will save crude oil. Without a doubt, we will have established an excellent approach to America's energy future.

All we need is for our majority leader—he belongs to the Senate—to be fair and let the Republicans have a vote on behalf of America. Why do they fear votes in this regard?

I yield the floor and thank the Senate.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

HOUSING

Mrs. HUTCHISON. Mr. President, I rise today to speak about the housing bill that's before the Senate.

Like all of my colleagues, I am concerned about the current housing crisis.

The American people are anxious that the equity they have paid into their homes may not provide the financial security that home ownership once guaranteed.

Worst of all, many homeowners across the Nation, struggling with higher energy and food costs, are at risk of losing their homes through foreclosure.

The legislation before us has positive aspects—including modernizing the Federal Housing Administration to provide better, fixed rate lending options to those who previously resorted to risky subprime loans.

This will expand homeownership.

I am pleased that the bill also includes assistance for first-time homebuyers and property tax relief for current homeowners.

The standard deduction for property taxes, included in this bill, would be \$500 for single filers and \$1,000 for joint filers and that is important.

I am also pleased that the bill before us provides some reforms for Fannie Mae and Freddie Mac.

With a new, independent regulator, I hope we can prevent some of the irresponsible behavior these enterprises have engaged in over the last few years.

But, it is how we are responding to that irresponsible behavior that will ultimately lead me to vote in opposition to this bill.

I am troubled by the inclusion of an unlimited U.S. Treasury credit line for Fannie Mae and Freddie Mac, including the authority for the U.S. Government to purchase stock in these private companies without the necessary intervention in their governance.

With our anticipated action today, Fannie Mae and Freddie Mac will have the full faith and credit of the United States.

However, they have demonstrated spending habits that should not be underwritten by American taxpayers.

Furthermore, I am concerned that with this new authority we will set a dangerous precedent and provide incentives for other private financial institutions to ignore risks in the future.

Privatize profits for socialized risk to a slippery slope.

This addition to the previous bill we passed will increase the statutory limit of the current national debt to \$10.6 trillion, an \$800 billion increase.

We could improve this bill substantially if individual Senators were allowed to offer amendments on which the Senate could vote.

But we are being prevented from doing that.

Senator DEMINT has introduced a commonsense amendment to prevent Fannie Mae and Freddie Mac from lobbying Congress or making political contributions.

According to The Politico:

Over the past decade, Fannie Mae and Freddie Mac spent nearly \$200 million on lobbying and campaign contributions.

These activities shouldn't be allowed to continue.

I would support the DeMint amendment.

I also believe that we need checks on executive compensation and perks at Fannie Mae and Freddie Mac, with this kind of infusion of taxpayer backing.

In 2003, the CEO of Fannie Mae, who left during an investigation of accounting irregularities, was paid \$20 million.

In 2007, the current Chairman of Freddie Mac pocketed nearly \$19.8 million.

Considering that this bill permits the Federal Government to become a shareholder in Fannie Mae or Freddie Mac—and thus, operated with U.S. tax dollars—that level of pay is simply unacceptable.

The U.S. Senate can, and should, spend time debating these issues and improving the bill instead of rubberstamping additions that pose a taxpayer liability of billions, and maybe trillions.

But instead, the bill is being rushed through the Senate without the careful consideration and deliberation it deserves.

This is irresponsible.

While I think it is important to restore confidence in Fannie Mae and Freddie Mac, and alleviate the housing crisis in our country, I think we should do better. I cannot support the housing bill in its current form.

I have supported this bill twice before when it came through the Senate without the keys to the Treasury being handed to Freddie and Fannie.

With this addition and without adequate reforms to protect taxpayers, it is a step too far.

This bill may ultimately create more problems than it solves.

Newspapers across the political spectrum, from the Wall Street Journal to the Washington Post, have questioned the desirability of a GSE bailout.

The Washington Post editorialized that the bill would “potentially increase the very risks [the] plan is intended to mitigate,” and asked “wouldn't it be wiser to revamp the whole GSE structure, rather than construct an increasingly elaborate apparatus to address—or conceal—the fact that it no longer works very well?”

There are potentially 800 billion reasons why we ought to take our time to consider this bill.

I think we should help alleviate the housing crisis, but the American taxpayers have the right to expect a serious, long-term solution rather than a quick fix that puts them on the hook today and keeps them there tomorrow.

Although I support many of the provisions in this bill, and supported previous versions the Senate considered, I will vote against this bill due in large part to these enormous taxpayer liabilities that this institution will not have the ability to amend.

If this bill does become law, we should not abandon our oversight responsibility to ensure that any actions taken by the Treasury will be fair and responsible to America's taxpayers, homeowners, and financial institutions.

We owe the taxpayers our vigilance.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent for 1 more minute for both sides.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CARDIN. Reserving the right to object, if the time comes out of what is allocated to the Republicans, I have no objection. There is additional time to the Republicans already allocated.

Mrs. HUTCHISON. Mr. President, I will not take from my colleagues' time, but I would like to offer that there be an additional minute for the Democratic side as well.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. CARDIN. Mr. President, as long as it comes out of the Republican time, there is no objection.

The ACTING PRESIDENT pro tempore. That is not what the request is. The Senator from Texas is requesting additional time for herself and for the Democratic side.

Mr. CARDIN. I think people are expecting a vote at 11. There is time on the Republican side, so I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that 1 minute be taken from leader time on the Republican side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mrs. HUTCHISON. Mr. President, newspapers across the political spectrum, from the Wall Street Journal to the Washington Post, have questioned the desirability of a GSE bailout. The Washington Post editorialized that the bill would "potentially increase the very risks the plan is intended to mitigate" and asked: "Wouldn't it be wiser to revamp the whole GSE structure, rather than construct an increasingly elaborate apparatus to address—or conceal—the fact that it no longer works very well?"

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the Wall Street Journal editorial of July 24.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 24, 2008]

HOUSING BILL HAMMERS TAXPAYERS

Combine a housing meltdown with election-year politics and the results were not going to be pretty. Add a crisis in confidence in Washington's favorite quasipublic companies and what we're getting is a rout for taxpayers, especially those who kept their heads during the housing mania.

The House yesterday passed a housing bailout by 272-152. The White House has thrown its reservations overboard and is begging to sign this boondoggle, despite the less-than-veto-proof majority. A few brave souls in the Senate are threatening a filibuster, which is where the last hope lies for stripping the most egregious and expensive provisions from this monster.

Even conservative estimates by the Congressional Budget Office say the cost for this bailout will run to \$41.7 billion, with \$16.8 billion offset by higher taxes. No one has any idea of the real cost. The most expensive provision gives the Treasury temporary authority to pour money into Fannie Mae and Freddie Mac. The CBO says this could cost \$100 billion, or it could cost "nothing." So it threw a dart at the wall and assigned a \$25 billion price tag to the Fan and Fred bailout.

Likewise, the bill's \$300 billion to refinance and insure distressed loans through the Federal Housing Administration will supposedly cost just a few billion dollars. That assumes few homeowners and lenders will sign up for the program because lenders will have to take a 10% haircut to be eligible. If no one needs this program, why is it there? If lenders do take advantage, they're bound to dump their worst loans on the feds. So as with the Fan and Fred bailout, the FHA guarantee will be either superfluous or much more expensive than we're led to believe.

Alongside these big-ticket items, we suppose the \$4 billion tax credit for first-time

home buyers, or the \$4 billion in "community development" pork grants, or the \$180 million for housing counseling are merely routine outrages.

On the other hand, the kid-glove treatment of Fannie Mae and Freddie Mac is very much worth worrying about. On the floor of the House yesterday, Democrats argued that this bill was the least Congress could do "for the people," given the way the government had "helped" Bear Stearns. The cost borne by Bear Stearns was having its shareholders all but wiped out and half its employees pink-slipped. Countrywide was likewise sold at a fire sale price. Not so these two government-chartered giants.

Fannie and Freddie may well be too big to fail, as Treasury Secretary Hank Paulson keeps reminding us. That is true in large part because they were allowed—no, encouraged—to grow like Topsy while Congress shielded them from oversight. At a minimum, the cost of a lifeline ought to include some accountability and assurance they cannot get into such a fix again. Instead what we have is a promise that Fannie and Freddie will pay us Tuesday for an explicit taxpayer guarantee today. The Treasury will get unlimited authority to recapitalize the mortgage giants, effective immediately, while a new regulator will have to run a gauntlet of confirmation and Congressional hazing over the companies' portfolios of mortgage securities the way a Supreme Court nominee has to handle *Roe v. Wade*.

This delay will give Fan and Fred time to consolidate their political position and fend off attempts to shrink them to a less risky size. At the same time, the \$600 million "affordable housing" fund that the bill would skin off the hide of the two firms gives Washington a permanent stake in preserving their dominant market position. If Fannie and Freddie can't be brought to heel politically now, when weeks ago their very survival was in doubt, not even a newly empowered regulator will have any hope of reducing their claims on the public fisc once the dust settles.

Mr. Paulson might have kept an eye on the taxpayer's interest here by insisting that any money put into the companies come with some upside, as the Chrysler bailout in 1979 did. Instead we are left to trust that Mr. Paulson or his successor will have the political nerve to resist the companies and their friends on Capitol Hill. Any money given to Fannie and Freddie should have been conditioned on receivership, including clearing out the management and boards that made this mess.

Mr. Paulson argues that the new regulator will have the Federal Reserve's clout behind it, adding firepower to its ability to rein in the not-so-dynamic duo. But the Fed is also subject to Congressional sway, and no Fed Chairman is going to risk losing his running room on monetary policy to corral Fan and Fred.

For proof of how powerful they remain, even in their straitened circumstances, look no further than Majority Leader Harry Reid's refusal even to allow a vote on an amendment proposed by South Carolina Republican Jim DeMint to bar the two from lobbying in the future. Senator DeMint has threatened to filibuster if his amendment isn't aired. By itself, the antilobbying provision won't save the taxpayer from Fan and Fred, but it's a start.

Democrats are rushing this bill through because of the favors for Fan and Fred and new spending for left-wing activists like Acorn. But the reluctance of many Republicans to look out for taxpayers is harder to comprehend. They'll get little credit this year for letting the majority Democrats say they did something for "housing," and GOP

voters will blame them for rescuing the irresponsible.

Meantime, the White House and Treasury are betting that this bill will put a floor under the housing market and buoy bank stocks, and thus avoid a deeper financial downturn. The rescue will only delay a housing market bottom, and it may or may not help bank stocks. The one certainty is that taxpayers are assuming a huge new risk.

Mrs. HUTCHISON. Mr. President, there are 800 billion reasons why we ought to take our time to consider this bill. I think we should help alleviate the housing crisis, and I think most of this bill is good and solid, but it adds to the regulatory burden.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mrs. HUTCHISON. Mr. President, I hope we will take time to consider it better.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Maryland.

Mr. CARDIN. Mr. President, I know it is unusual that the Senate would be here on a Saturday, in a voting session, but I am pleased that we are here because at last we are going to have a chance to vote on final passage of H.R. 3221, the housing legislation that is so important to the people of this country.

I first wish to thank Senators DODD and SHELBY for the manner in which they have handled this legislation. It has been handled in a bipartisan manner, the way it should be. They have been extremely patient.

This bill has been on the floor on numerous occasions. There have been many opportunities for all of us to offer our suggestions on this legislation. It has been one of the most open bills we have had.

I know there are some on the other side of the aisle—my colleague from South Carolina—who raise certain objections. There are some who would like to see this matter further delayed. I understand that. In the other body, Republicans have decided to vote against this legislation by a 3-1 margin. That is their prerogative. And there are some in this body who believe the status quo is acceptable. They do not believe we should be aggressively trying to help the people of our communities in the housing crisis. Well, I disagree with that, and I think the majority of this body disagrees, and it is important for us to provide the tools necessary to deal with the housing crisis in this country. Every day that we wait, 8,500 more foreclosures are here in America—8,500 people are in danger of losing their houses every single day. So, Mr. President, I am sorry we didn't get this legislation done earlier, but I am pleased we are here today to complete this legislation and to send it to the President for his signature.

We all know the current status of our economy. We know that people around this Nation are having a difficult time dealing with their everyday costs—dealing with energy costs, dealing with

health care costs, and, yes, dealing with their housing expenses. We know that the trigger to the current downturn in our economy was caused by the housing market. So it is important for us to pay special attention to the housing market as we try not only to help families who are struggling to keep their homes and keep communities strong but also to help our economy.

This is true in each one of our States. In Maryland, in the second quarter of 2008, we saw a 130-percent increase in foreclosures. In my own State, 1 out of every 243 households is in some stage of foreclosure. This is a crisis affecting millions of people in our Nation. Maryland now ranks 16th in the Nation on foreclosures. The problem is continuing. There are subprime mortgages that are out there with adjustable rate mortgages that will be coming due during 2008 and 2009, and we will see more and more foreclosures. So we need to act to try to prevent those foreclosures.

I know there have been some who have said: Well, look, this was a free market and people made their own decisions. But I can tell you of communities in my own State where homeowners were steered into subprime mortgages—homeowners who could have qualified for standard mortgages, but because of the way the fees were arranged, they were steered into these subprime products and are now in danger of losing their homes. So we need to do something.

I want to first acknowledge that there have been many groups that have stepped forward. Nonprofits in my State and around the Nation have tried to do what they can, and I applaud them for their actions. A lot of the people involved in the nonprofit housing sector have tried to help through counseling and other means, and that is laudable. In my own State, I applaud the efforts of our Chief Judge Bell, who has called upon the lawyers of Maryland to attend training sessions to offer pro bono services to help homeowners who are in danger of losing their homes. I think that is what the bar should be doing, what lawyers should be doing, and they are stepping up to try to help. We also see State and local governments doing what they can to try to help in the housing market, and even private companies have stepped up to try to restructure loans so that people can stay in their homes. All of that is what should be happening, and I applaud the efforts of the private sector and local governments. But the Federal Government should be a full partner in this effort, and I think H.R. 3221 moves us in a direction toward accepting that responsibility.

The bill helps current homeowners on the brink of foreclosure. It will provide \$180 million for financial and legal assistance to homeowners who are in danger of losing their homes, which I think is very important. The legislation provides for counseling services to help counselors deal with individuals

who are in danger of going into foreclosure on their properties. It also helps with refinancing. It is estimated that 400,000 people in this country will benefit from the provisions of this legislation that allow for refinancing of their loans.

Some have said this is bailout. It is not a bailout. The loans are going to be bought at market value. Investors are going to lose part of their investment on these refinancings, as they should. It is not a bailout. And the homeowners who take advantage of it, it is to help them stay in their homes. If they sell their homes, part of the profits need to be returned. So it is a fair way to keep people in their homes, recognizing the fact that it is not only the individual homeowner who loses but the entire community loses when a house is foreclosed upon.

I am particularly pleased with the provision in this legislation dealing with first-time homeowners. Several months ago, I talked to Senator BAUCUS about a housing credit for first-time home buyers to help more people become engaged in buying and selling homes. We know that 40 percent of home buyers are first-time home buyers, and by helping first-time home buyers, we help the housing market and we help the economy. I think the provision in this bill that will provide a \$7,500 credit or an interest-free loan will help. It is targeted to moderate-income families, and it is temporary. It needs to be used in the next year. It is reasonable from the point of view of helping people get back into the housing market, and I thank the committee for including that provision.

This legislation also deals with the credit crunch—the availability of mortgage money for those who need to buy homes. The FHA modernization will help, and the reverse-mortgage provisions that seniors use. Seniors who have lived in their home for many years have a lot of equity in their home. They need the cash out of their house in order to stay there, and reverse mortgages help them obtain the resources they need to deal with their health care and to deal with quality-of-life issues. This bill modernizes the reverse-mortgage provisions, providing strong consumer protection provisions for our seniors.

We all know about Fannie Mae and Freddie Mac provisions and how we have tried to strengthen the regulatory system. I think that is what we should be doing. We are giving the Secretary of the Treasury the flexibility and authority that he needs in order to make sure we don't have a crisis in this country by Freddie Mac and Fannie Mae not being able to carry out their stated mission.

I am also pleased that the \$11 billion for local mortgage bonding authority remains in this bill to help local governments deal with the availability of low-income housing.

The legislation also includes improvements to the CDBG funds by \$4

billion, of which \$89 million will be available to the people of Maryland. These are for the communities that are directly affected and have large numbers of foreclosed properties. This provision will allow the local governments to be able to buy foreclosed properties and turn them back and make them available for moderate-income families through home ownership and rental.

There is a provision in the bill that deals with veterans, through our VA home loan program, to prevent foreclosure and increase home ownership.

Lastly, there are provisions in this bill to help us in the future with better mortgage disclosure rules and nationwide loan originator licensing and registration.

The bottom line is, it increases the tools available in our toolbox to deal with vulnerable families who are in danger of losing their homes, it provides the financial wherewithal so that we can keep credit available for people to buy and sell homes, and it is a message and action to help our economy in these very difficult times. I am pleased we are able, at last, to vote on this legislation, and I urge my colleagues to support this very important bill.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

Mr. SESSIONS. I ask unanimous consent to use 5 minutes of the time allotted to the Republican leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SESSIONS. Mr. President, first, I appreciate particularly the work of my colleague, the senior Senator from Alabama, Mr. SHELBY, who has, for quite a number of years, fought to improve oversight of the GSE, the Fannie and Freddie agencies that are so dominant in our loan market.

I am pleased, finally, now that we are in a crisis and the warnings he has raised for years, along with Senator SUNUNU, Senator ALLARD, and some others, that they now are willing to accept some significant oversight over these tremendously large institutions while, unfortunately, placing the taxpayers at risk.

So I think, all in all, with the crisis we are facing, I am inclined to support this legislation; although I am not, in general, happy we are in this circumstance.

LIHEAP

I would like now to direct my remarks to the LIHEAP legislation. I think it is a curious thing. I know a lot of Members on our side, who are so frustrated about the inability to have a real debate about energy, will vote against the LIHEAP bill and going forward to it because they want to stay on energy legislation, in general.

I would suggest, however, the legislation that has been offered by my colleague from Vermont is bad policy. It is not good. We ought not to support it. Fundamentally, it does this: It subsidizes the burning of more fossil fuel.

That is an invariable law of economics, that which you subsidize you get more of. We are told, particularly by our green members—so many of them do come from the Northeast—that we ought to reduce fossil fuels. Yet we have a piece of legislation that subsidizes, to a dramatic degree, fossil fuel use.

We had a little debate during the Presidential dustup in which we discussed cutting taxes on gasoline because the price of gasoline had doubled. People agreed that was bad public policy. This is worse. This is collecting tax money from various Americans and is giving it to others so they can buy more fossil fuels. I do not think that is good policy.

Second, it is the second LIHEAP bill we have had. The first one was \$2.5 billion. We have done that one. Now we want to do another \$2.5 billion that is unpaid for. It is a \$2.5 billion direct increase to the debt of the United States of America. We are spending like drunken sailors, and that is unkind to drunken sailors.

We have already passed a \$150 billion stimulus package to help people with higher costs and difficulties, and we sent out checks for that. We passed a \$60 billion GI bill expansion. We passed a \$50 billion foreign aid package for disease in Africa. We have added \$14 billion to the Medicare fix. We are heading to this bill, this housing bill, that is going to cost and others.

We are going to more than double the deficit this year. We have to learn to say no. We cannot do everything we would like to do. The deficit last year was \$177 billion. It is going to be \$450 to \$500 billion this year. That's unbelievable. We have to get serious about spending in general.

Also, the argument has always been this is for high heating oil prices. Well, I would suggest there is probably no more polluting, no more CO₂-creating fuel than fuel oil. It is a low-grade fuel. It is not the best kind of thing. Maybe we ought to be talking to our friends and colleagues who oppose so much drilling and production of oil and gas, perhaps we should begin to talk about how solar or wind could deal with their problems.

But I suspect, when it comes to their own neighborhood, they know solar and wind are not so easily done and would actually be more expensive than heating oil.

The ACTING PRESIDENT pro tempore. The Senator has used 5 minutes.

Mr. SESSIONS. I thank the Chair. I ask unanimous consent for 1 additional minute. I do not see another colleague here.

I would note that for these reasons, I think it is bad public policy. I ask my colleagues to vote against it on the merits and also because we need to continue to talk about producing more energy for America; keeping American wealth at home and not continue to transmit \$700 billion a year of our wealth to nations around the world,

often who are hostile to our national security interests.

I reserve the remainder of our time on this side.

The ACTING PRESIDENT pro tempore. Who seeks recognition? The Senator from Vermont.

Mr. SANDERS. How much time remains on our side?

The PRESIDING OFFICER. There is 22 minutes.

Mr. SANDERS. Mr. President, I ask unanimous consent to speak for 7 minutes and that the remaining 15 minutes be reserved for Senator DODD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SANDERS. Mr. President, the Senator from Alabama said that what the LIHEAP legislation is about is subsidizing fossil fuels. No, that is not accurate. What the LIHEAP legislation is about is keeping people alive in Alabama, in Arizona, in Texas, in Vermont, in Maine, and all over this country. The Senator from Alabama should know that people are dying this summer, when the heat gets to 110 degrees and when electric rates are soaring and they do not have the money to pay those electric bills.

The Senator from Alabama and others should know the CDC, the Centers for Disease Control, have made it very clear that more people die from extreme heat exposure and exposure to the cold than all other natural disasters combined.

Let's be clear what we are voting on this morning. When the Senator from Alabama and others say: Well, we are spending money trying to keep the elderly and the sick and children alive when the weather gets 20 below zero, we are. I will vote for those proposals, rather than hundreds of billions of dollars in tax breaks for the wealthiest 1 percent.

I will vote to make sure people in Vermont do not freeze in the winter, while we give tax breaks to ExxonMobil that enjoys record-breaking profits. That is what we are talking about, priorities. Do we keep the old and the sick and kids alive when the weather gets cold or when the weather gets very hot or do we spend money on people who make huge campaign contributions? That is part of what this debate is about.

Mr. SESSIONS. Will the Senator yield?

Mr. SANDERS. I have the floor. I will not yield.

Some other people are saying what we should be talking about is energy policy. Well, of course, we should. The energy policy of this country is way out of whack. We are spending \$700 billion a year importing foreign oil. We need to move to sustainable energy. We have not moved to energy efficiency. There is an honest debate about where and how much drilling should take place. But that is not what this debate is about.

Since 1981, we have had LIHEAP. It has been supported in a bipartisan

manner from everybody from President Bush on down. It is a program that has worked. What everybody in this Chamber understands is the price of home heating oil is soaring, the price of electricity is soaring, and the people will become sick and die and be forced to leave their homes if we do not significantly expand LIHEAP funding in order to make sure they can pay their bills.

Let me reiterate to my friend from Alabama or anybody else: This is not a cold-weather State bill. Am I worried about what is going to happen in Vermont this winter? You can bet on it.

Mr. SESSIONS. Who gets the benefit?

Mr. SANDERS. I believe I have the floor.

The ACTING PRESIDENT pro tempore. The Senator from Vermont has the floor.

Mr. SANDERS. In Philadelphia, PA, in June, 17 people died from heat exhaustion. In Arizona, over the years, hundreds of people have died because they lack the ability to stay cool in the summer.

This legislation is supported by the AARP because they understand, the largest senior group in America, what will happen to older Americans if it is not passed.

This legislation is supported by the National Governors Association because they know the financial problems facing States and the need for the Federal Government to act. This legislation is supported by the Southern Governors Association because they know what hot weather does to people's health, especially the old and the sick when they cannot stay cool.

What we are dealing with is literally a life-and-death situation. People in the hot-weather States will die when temperatures get to be 115 degrees, and they cannot afford the electricity to stay cool with air-conditioning.

People will die in the Northern tier when the weather gets 20 below zero, and they cannot afford the high cost of home heating oil or gas.

The American people are sick and tired of all the partisanship which is going on. Every Member of the Senate can write a press release telling their constituents why they voted no. But you know what, I do not think the people are going to believe you. If we have enough money for tax breaks for ExxonMobil, we have enough money in this country to make sure people do not freeze to death and that people do not die of heat exhaustion.

I hope we can come together while we disagree about other aspects of energy policy. I hope we can finally come together and go back home, whether it is to the South or the North, and tell the American people, we understand what high energy prices are doing to them. We are going to stay with you. We are not going to let the most fragile people in our country, the most vulnerable people in our country, suffer unnecessarily when we know how to help them.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, before he leaves the floor, let me commend our colleague from Vermont for his eloquence and his passion this morning on a subject that, as he says, ought to unite all of us, regardless of geography or political party.

I would be remiss if I did not recognize, as well, that the Presiding Officer today has been a champion of this issue during his tenure in the Senate. I thank the Senator from Rhode Island for his passion about this issue as well.

In the quarter of a century that I been here, as the Senator from Vermont has pointed out, this issue has been an issue that has not divided us along these lines. There have been those who, from time to time, have opposed low-income energy assistance but, by and large, this is a matter that has enjoyed broad bipartisan support.

While we are in the depths of the summer today, and there are those who are wondering what we are talking about, we talk about home heating oil and gas for the winter, we are only days away from those temperature changes.

Of course, for those who live in our southern States, the issue of heat exhaustion is something they live with all the time. And low-income energy assistance, as the Senator from Vermont points out, cuts across all geographical lines. It is the basic necessity. You cannot survive without it. Over the years, we have been able to do something to support it.

So I urge our colleagues, when the vote occurs later this morning on this issue, that we join on this matter and support the effort to provide for that low-income energy assistance.

I commend my colleague from Vermont, who has been patient about this issue over the last number of weeks. My hope is it will be supported. I hope we do on low-income energy assistance what we have done on housing.

I note the presence of my colleague from Alabama, Senator SHELBY. I wish to begin my remarks by thanking my friend from Alabama. I thank him and our colleagues, Democrats and Republicans, on the Banking Committee.

The Presiding Officer and others, by a vote of 19 to 2, we came out of our committee back in March on a housing proposal. We have worked closely together over these last number of weeks in order to bring us to this moment, which I wondered if it would ever occur, given the number of times we have voted on this matter since March.

But in about 30 minutes, we are going to have a chance to finally decide whether this Congress is going to do something about the growing economic problems, basically founded and anchored in the foreclosure crisis of our Nation, that has now spread far beyond residential mortgages.

It is long overdue that this Congress respond. We are about to do so in a bi-

partisan fashion. Given the vote yesterday of 80 to 13, it is an indication of this what this body can do when we are determined to work together to make a difference.

So I wish to thank—I see my colleague from Georgia—Senator ISAKSON and others who have done a terrific job in packaging this proposal. If each one of us could write this alone, it would be different. We serve in a body of 100 Members. We need to work together to develop final products. This is an example of what can happen when that occurs.

I am pleased we are finally ready to pass the Housing and Economic Recovery Act of 2008 and send it to the President's desk for his signature. This has been a long and arduous process. It started when Leader REID, who has been remarkable and marvelous in this process, Leader MCCONNELL, Senator SHELBY and I, announced on March 31 that we were going to put together a bipartisan housing stimulus bill that would address the growing housing crisis. Not much more than 24 hours later, Senator SHELBY and I, along with Senators BAUCUS and GRASSLEY, brought the first version of the Housing and Economic Recovery Act to the floor where it received an overwhelming vote of 84 to 12. We continued to work over subsequent months to expand and improve the legislation so it would more thoroughly address the growing foreclosure and financial crisis. This is the product we present to our colleagues this morning.

This action is coming none too soon. Earlier this week data was released showing that home sales hit a 10-year low, falling 2.6 percent, over twice as much as what had been expected. Home prices continue to fall. The Census Bureau reported that foreclosures contributed to a record number of vacant homes in the second quarter. Merrill Lynch reports that June numbers show we now have 11 months of inventory of single-family homes. That is a 23-year high.

RealtyTrac reported yesterday that forecloses in the second quarter more than doubled from a year earlier and jumped nearly 14 percent from the previous 3 months. As you have heard me say over and over, every day between 8,000 and 9,000 of our fellow Americans are put into foreclosure. There have been a record number of bank seizures as well. This is happening in the United States. It simply ought to be unacceptable to every single one of us.

Bill Gross, the CIO of PIMCO, one of our largest investment funds, estimates our economy will face nearly \$1 trillion in mortgage losses when it is all said and done. Martin Feldstein, who served President Reagan as chief economist, wrote in the Wall Street Journal in March:

The 10 percent decline in house prices has cut household wealth by more than \$2 trillion, reducing consumer spending and increasing the risk of a deep recession.

This is a staggering loss of wealth we are seeing, coming at the very same

time, as the Senator from Vermont has pointed out, that food prices, gas prices, health care, and education costs are rising. We are experiencing the worst of all possible worlds. Wealth is declining, the source of wealth creation, and costs are rising simultaneously. Moreover, when we consider the role that home equity has played in supporting consumer spending, we see the danger a vicious downward cycle could create, an economic disaster for our country.

Don't let yourselves be dulled by nameless and faceless statistics either. Behind each one of these numbers I have recited, there is a family—a mother, a father, children trying to grow up, facing unemployment, losing their homes, wondering what the future holds. So when we talk about the numbers, about how important this data is, pause for a minute, when deciding whether to support this bill, and remember: Behind every one of those numbers there is an American family who this morning is wondering whether their Congress can do anything at all about the problems they face.

In about 30 minutes, we will have an answer for that, I believe, an overwhelming one, that says: We are on your side. We want to make a difference to keep you in your homes and get back on your feet again. That is what this is all about—not the numbers but the faces. Those families are counting on us. In the face of these daunting challenges, I believe we all have a responsibility to act. That is what we are going to do this morning by passing this bill.

Let me quote again Mr. Gross of PIMCO, who wrote this past Thursday:

... the omnibus housing/GSE bill now placed before the Congress and the President is the best way to begin the long journey back to normalcy [in this country].

I believe that to be the case. Treasury Secretary Paulson said the passing of this legislation is the most important action we can take to address the housing crisis.

This legislation will not perform miracles. I want the American people to have a realistic expectation as to what we are about to do. But as others have said, it is a step—I hope and expect an important step—toward putting our Nation on the road to economic recovery. Let me sum up the legislation very quickly before turning to my colleague from Alabama.

The bill establishes the HOPE for Homeowners Act to help at least 400,000 to 500,000 families stay in their homes. It does so after asking both lenders and borrowers to make financial sacrifices, and it does so at absolutely no cost to the American taxpayer.

The bill creates a new world-class regulator for Fannie Mae and Freddie Mac and the Federal Home Loan Banks. Recent news makes it clear these entities need a stronger regulator to ensure they are viable and healthy institutions, able to provide credit in times of stress such as we are experiencing today. It also raises loan limits

from \$417,000 to a high of \$625,000 so the government-sponsored enterprises can play an even more active role in stabilizing the housing market.

At the request of Secretary Paulson, the legislation includes standby authority for the Secretary of the Treasury to purchase the stock or debt of the housing GSEs only if he finds such action is necessary to keep the financial markets stable and mortgage credit flowing. It is our strong expectation that creating this authority will make it unlikely that it will ever be needed. As I have said, the GSEs have significantly more capital than is required by law. They continue to have open access to the debt markets, and their holdings consist primarily of 30-year fixed rate mortgages.

The bill modernizes the Federal Housing Administration program, raising the loan limits from \$362,000 to \$625,000 so that 98 percent of the counties in the United States and 85 percent of the population will have access to this important program. FHA has proved its value in the current crisis, as it has continued to provide a stable source of mortgage credit even while many other lenders have failed.

The bill includes a permanent, affordable housing fund financed by Fannie Mae and Freddie Mac that will provide tens of thousands of affordable housing units. I tip my hat to the Presiding Officer, who has been a tireless champion on behalf of affordable housing. With the work of Senators SHELBY and REED, we have a permanent, affordable housing program, the first time ever in our history. The bill includes new protections for elderly homeowners taking out FHA-insured reverse mortgages so they are not deceived, as many have been, into using the proceeds from these loans to buy expensive and needless insurance products. These provisions were incorporated from a bill introduced by our colleague from Missouri, Senator McCASKILL.

The bill includes a new mortgage broker and lender licensing requirement added by Senator MARTINEZ, with strong support from Senator FEINSTEIN, that will begin to address the many abuses of the mortgage process perpetrated by brokers. In addition, it includes improved disclosure requirements added by Senators REED and BOND. Because of the efforts of Senators KERRY, COLEMAN, AKAKA, CORNYN, and SANDERS, the bill expands the availability of the VA housing program and includes a number of provisions to help returning veterans save their homes from foreclosure, and provides new housing benefits to disabled veterans. The legislation includes \$3.9 billion in emergency Community Development Block Grant funds for areas hard hit by foreclosures, to help them purchase and rehabilitate these homes and put them into productive use. As the Boston Globe wrote in an editorial earlier this month:

The major beneficiaries [of this provision] would be the urban homeowners to pay their

mortgages diligently yet face declining property values, crime, and blight associated with a rash of foreclosures near their homes.

This body has repeatedly provided emergency funds to communities ravaged by floods, hurricanes, and natural disasters. The foreclosure crisis is every bit as much of a disaster. This is an emergency equally deserving of these funds.

Finally, the bill includes \$150 million in new counseling money. Housing counselors have been our troops on the frontline, working with troubled borrowers and lenders. These funds, which were included at the request of Senator MURRAY, along with Senator SCHUMER, will result in tens of thousands of American families being able to keep their homes.

Let me close by saying again this legislation is the product of tireless collaboration in the Senate and the other body, the House of Representatives, with the work of BARNEY FRANK and his colleagues on the Financial Services Committee and, of course, the administration, particularly Secretary Paulson and his staff, to help develop solutions that will strengthen our economy, restore confidence in our financial markets, and provide urgently needed relief to American families struggling to make ends meet. Such an outcome could not be possible without the full support and leadership of my colleague and ranking member, Senator SHELBY. Every vote we have taken on this bill, from the 19-to-2 vote in committee to yesterday's 80-to-13 vote on cloture, has been strongly bipartisan. The American people can take some pride in this institution for our willingness to work together through these difficult issues to get such a good outcome.

Finally, legislation of this magnitude takes hours and hours of staff time to work out. There is never going to be an adequate expression for Senator SHELBY and me to thank our staffs on the Banking, Housing and Urban Affairs Committee. They have been remarkable, beginning with the Senate staff director, Shawn Maher of my office, along with Jonathan Miller, Amy Friend, Roger Hollingsworth, Aaron Klein, Julie Chon, Jenn Fogel-Bublick, Sarah Kline, Kate Szostak, and Drew Colbert; legislative counsel Laura Ayoud and Rob Grant; Senator SHELBY's staff—Bill Duhnke, Mark Oesterle, Peggy Kuhn, Jim Johnson—and from Senator REED's staff, Kara Stein.

I thank Senator HARRY REID lastly, our majority leader, for his diligence, patience, and determination. We have been through six cloture motions, delay after delay after delay by a handful of Senators who were determined to do everything they could procedurally to stop us from getting to this moment. I thank immensely the majority leader, and his staff as well, for their tireless support of this effort.

Again to my colleague from Alabama, I tip my hat. He is a good man to work with, and I thank Senator SHELBY.

The ACTING PRESIDENT pro tempore. The Senator from Alabama.

Mr. SHELBY. Mr. President, I rise to speak in support of the final passage of H.R. 3221, the legislation before us Senator DODD and others have been talking about. This legislation contains numerous provisions that address a wide variety of issues associated with the housing crisis. Many of them, in fact, were previously considered and passed by the Senate in earlier versions of this bill right here on the floor. I wish to highlight a few of these important provisions now.

As the Presiding Officer well knows, because he is an important player in this and a very important member of the Banking Committee, this final package contains the same mortgage refinance program included in the earlier bills. This is a temporary, voluntary program within the Federal Housing Administration to back FHA-insured mortgages to distressed borrowers. It requires both mortgage lenders and borrowers to give up some of their financial interest in order to participate. The mortgage lender must agree to reduce the principal balance of the loan, which we also call a "haircut." The loan refinancing arrangement must also bring the loan-to-value, LTV, ratio on the new loan to no greater than 90 percent of the property's current appraised value. Borrowers must accept an equity-sharing requirement and forgo a percentage of any future profits on the sale of their homes.

While I would prefer a completely free market solution, at least this program is designed to keep the taxpayer from bearing the cost, something I fought hard for in the Banking Committee. We have included a separate funding stream that carries on in perpetuity to cover any costs that may arise.

This package also includes measures which modernize the FHA program. But by streamlining and expanding it, we hope the program can make safe, fixed-rate mortgages more readily available to home buyers in the United States.

The legislation also includes a first-time home buyer tax credit of \$7,500. I believe this should serve as an additional incentive to potential first-time buyers who may be waiting to purchase a home. The tax credit, combined with the greater availability of sustainable mortgages, should encourage buyers and help invigorate the housing market.

While I support this bill, there are a number of provisions in it with which I am very concerned. If it had been my decision alone, I would not have included them. While crafting legislation requires a great deal of give and take, one thing we should not compromise is our obligation to conduct continuing oversight of the programs we enact. Our responsibility to the taxpayers requires that we continue to closely track the funds we are providing. We

should not tolerate the waste or misuse of a single tax dollar. It is my hope that my friends who demanded additional spending are as enthusiastic about accounting for tax dollars as they are about spending them.

The bill coming back to us from the House does contain a set of entirely new and significant provisions. These provisions were added at the request of Treasury Secretary Paulson, who determined that such measures were needed immediately as a result of the rapidly deteriorating financial condition of Fannie Mae and Freddie Mac.

The legislation provides, as the Presiding Officer knows, the Secretary with temporary authority to purchase debt or equity of the GSEs when he, the Secretary, determines that such action is required to stabilize the financial system, protect taxpayers, and prevent disruptions to the mortgage markets.

I recognize the unprecedented nature of the authority this legislation provides to the Secretary of the Treasury. It is not something I agreed to without a great deal of consideration. In my estimation, however, the risks of not providing the authority ultimately outweigh the risks of extending it. I said recently I feared we were sitting on a financial powder keg. I think a lot of people realize that.

Fannie Mae and Freddie Mac, independently and together, represent considerable risks to the financial system. They each hold portfolios in excess of \$700 billion. They each guarantee more than \$2.5 trillion in mortgages. Their debt is held as regulatory capital by hundreds, if not thousands, of American financial institutions. They serve as counterparties on derivatives contracts with hundreds of firms, located domestically and abroad, in amounts in the trillions of dollars.

For years, I have argued on the Banking Committee that these entities, due to their size and their reach in the financial markets, pose a risk to the global financial system. I have also argued that such systemic risk requires the appropriate regulatory framework to prevent total financial calamity should one of the firms face a crisis.

Unfortunately, over the years, my calls for regulatory change were not only unheeded but were rebuffed. Consequently, we were denied the chance to put a strong regulator in place when it could have made a difference. But we are where we are today.

What has happened in the meantime seems to be the inevitable result of our failure to act. Indeed, when it became clear that both of the GSEs were on dangerous financial ground, it was no surprise to me that the Secretary asked for such a substantial grant of power and authority. Entities of such size and risk can only be helped by the commitment of a massive amount of resources.

Upon the passage of this bill, such resources will be available, if necessary. I hope they will not be necessary.

It is unfortunate it took the near collapse of Fannie Mae and Freddie Mac to convince a number of my colleagues that these entities do indeed pose a systemic risk to the U.S. and global economies. Nevertheless, I am pleased this legislation now acknowledges and addresses that reality in statute by giving the Federal Reserve a role in advising the new regulator on risks to our financial system.

Although the Fed's role, as the Presiding Officer knows, is temporary, it is now well established that the systemic risks the GSEs pose are permanent. That debate is basically over. The only question now is to whom the Congress assigns that responsibility in 18 months.

Since beginning the process of developing this legislation, I have believed the most important aspect of the bill is that it establishes a strong independent regulator for the GSEs. Intervening events have further confirmed my belief.

We have provided this new regulator with enhanced powers and additional authority so it has the tools necessary to ensure the GSEs are properly regulated. In doing so, I believe we are taking a very important step to prevent a repeat of the crises that enveloped Fannie Mae and Freddie Mac.

We find ourselves at the end of a long legislative road. The time for the debate has ended, and it is now time to vote.

• **Mr. INHOFE.** Mr. President, the Senate has been in session all week and held one vote Tuesday and two votes this morning—all procedural votes. We have considered a bill this week concerning the number one issue in America today—the price of energy. Instead of allowing a full debate on the bill and, most importantly, a full opportunity to allow amendments to actually open up supplies and provide Americans with options, the Democratic majority has closed debate and prohibited any opportunity to amend the bill.

Now, the Senate Democratic Majority, after wasting an entire week, is engaged in a stunt to keep the Senate in session this weekend in some false demonstration they are serious about now addressing the issues that concern Americans.

Tomorrow, the Senate is expected to vote on a massive housing package that continues to grow as it has been amended going back and forth between the House and Senate. At this point, this bill proposes raising the national debt limit to \$10.6 trillion, an \$800 billion increase. The bill continues to contain \$3.8 billion in community development block grants to allow government entities to purchase foreclosed houses and creates an affordable housing fund which simply funnels funds to groups like La Raza and ACORN. The legislation allows the FHA to take on up to \$300 billion in troubled mortgages into the taxpayer-backed program. In the bill, the value

of an eligible loan under the FHA bailout is \$550,000. The nationwide average value of a home is roughly \$200,000. Someone with a \$550,000 mortgage pays approximately \$3,300 a month on housing alone, assuming a 30-year fixed-rate mortgage at a 6.35 percent interest rate. That comes to \$39,600 per year in mortgage payments alone. According to the Bureau of Economic Analysis, average per capita income in the U.S. for 2007 was \$38,600. Therefore, someone with a \$550,000 mortgage will be spending around \$1,000 more on their house alone than an average American makes in an entire year.

The Congressional Budget Office warned that 35 percent of the loans refinanced through the program will eventually default anyway. It is simply bad policy to put taxpayers on the hook for borrowers who took on more than they could afford and lenders who made bad loans to begin with. It's entirely unacceptable to have the government put taxpayers on the hook for someone who qualified for a loan more than two or three times what the average American can afford. The American taxpayer, and taxpayers in Oklahoma, should not be put in the position where they are ultimately responsible for the irresponsible decisions of others, and they certainly should not be put on the hook for relatively well-off individuals not to mention large companies who made poor financial decisions.

I have previously opposed holding American taxpayers responsible for the decisions of others, and will not attend the vote tomorrow since I would vote "no" and request this statement appear in the RECORD prior to the vote tomorrow morning on the housing message from the House of Representatives. •

Mr. GRASSLEY. Mr. President, I would like to take a few minutes to highlight the tax piece of the housing bill that is before the Senate today. From the beginning, Chairman BAUCUS and I had a goal. We wanted to develop a bipartisan tax package that responded to the needs of Americans facing difficulty in the housing market. Up until the last stage of this journey, in terms of the process, we met that goal. Unfortunately, at the last stage of the process, when the last House amendment was developed, a bipartisan process became a Democrats-only process. That is unfortunate. It is not the way we have done business in the past. Hopefully, it won't become a pattern.

Mr. President, this bill, with one exception, complies with the Senate Republican conference principles on use of revenue raising offsets. This bill contains new tax policy. The new tax policy is offset with revenue raisers that a bipartisan majority in the Senate consider improved tax policy. The main one would put in place a reporting regime on credit card payments to merchants. It is a Treasury tax gap proposal. The other significant revenue

raiser would clarify the home sale exclusion rules where second homes, usually vacation residences, are involved.

The one exception deals with a reversal of a sound international tax policy reform. Back in 2004, Congress passed and President Bush signed a major bipartisan business tax reform bill. The centerpiece proposal in the international tax reform area was a restoration of the Finance Committee position from the 1986 Tax Reform Act on the treatment of interest for the purposes of the foreign tax credit. It took us 18 years to get back to the proper treatment of interest. This reform was due to take effect a few months from now.

The proposal in the bill before us delays this important reform by 2 years. It also cleverly haircuts the reform by 70 percent in the year the reform would become effective. The House has offered this offset for several bills. It is currently in play on the House extenders bill. It is also in play on the House trade adjustment assistance, TAA, proposal. In the prior stages of this legislation, it is the only offset on which I have expressed opposition. I offered up other offsets which, in my view, represented good tax policy. They were rejected by either the House or the Senate. I respected the reservations of the House and Senate Democrats on revenue raisers they could not accept. My reservations with this policy were discarded at the final stage in the Democrats-only negotiation.

The revenue grab trumps policy in this instance. The tax increase/spending increase pay-go imperative is more important than getting the tax policy right. The revenue raised is used mostly for new spending on community block grants. So here we go again. Propose suspect tax policy to feed the insatiable appetite for new social spending.

Now, why am I so opposed to the worldwide interest revenue raiser? My opposition rests in the bad tax policy this proposal represents.

Starting in 2009, the interest allocation reform will lower the chance of double tax that arises under current law from the artificial allocation of interest expense to foreign income, even when the debt is incurred to fund domestic investment. The current rules actually penalize domestic manufacturers that compete in global markets by making it more likely they will be double-taxed on their foreign income.

Several companies have spoken to my staff about the negative ramifications this delay will have on them. These companies are just starting to grow their businesses beyond the U.S. borders. The delay of this important international reform will make it more costly for these companies to expand into these markets. If these companies cannot grow beyond the domestic economy, they will be unable to compete in the global marketplace.

It is long been said that the American dream is to own your home. Un-

fortunately, the subprime crisis has turned that dream into a nightmare for many Americans. The tax relief in this bill aims to restore the American dream. This package goes some distance to restore that dream, but in the journey this legislation took a wrong turn. The bill goes backward on a bipartisan international tax reform. That is a sorry development. It does not bode well for future efforts at international tax reform. How reliable are proposals from the other side if they are reversed a couple of years later when the pay-go beast growls for more revenue for more spending?

Mr President, there are a lot of good proposals in the tax policy portion of the bill. Unfortunately, in the late stages of its development, it took on a more partisan character.

Mr. BAUCUS. Mr. President, T.S. Eliot wrote: "Home is where one starts from."

And that is true of the tax provisions of this housing bill, the Housing Assistance Tax Act. They start with home. They start with trying to help hard-working American families to stay in their homes. That's where we start.

The tax provisions in this bill provide housing relief to homeowners and stability to the housing market at a critical time.

For most Americans, their home is their biggest asset. Homes represent about a third of household net worth.

But housing is losing its role as a source of family wealth creation. Nationally, since April of last year, home prices have fallen by more than 15 percent. This decline in home values is the largest that America has seen in 20 years.

In addition to declining home values, homes sales have slowed, as foreclosures have risen. As of May 2008, sales of new single-family houses were about 40 percent below where they were a year before.

Foreclosures are at their highest rate in at last three decades. In June, 1 in every 501 households was at some stage in the foreclosure process. Since January 2005, bank seizures have risen 171 percent. The Congressional Budget Office estimates that 2.8 million foreclosure proceedings could be initiated in the next 4 years. About 1.1 million of these homeowners will ultimately lose their homes through foreclosure.

Behind every foreclosed property, there is a family. There is a family losing its home and there is a community left behind.

Another part of our housing story is the crisis in the housing finance system. The Federal National Mortgage Association, commonly known as Fannie Mae, and the Federal Home Loan Mortgage Corporation, known as Freddie Mac, are government sponsored enterprises, or GSEs. These GSEs provide critical financial support to the housing market.

These GSEs are market-makers in America's secondary mortgage market. They help to replenish the money sup-

ply for mortgages. They help to make money available for housing purchases. Fannie Mae and Freddie Mac own or guarantee about half of America's \$12 trillion mortgage market. They support about 70 percent of new mortgages.

The subprime mortgage crisis and ensuing home value declines have hit these GSEs particularly hard. Freddie Mac lost 73 percent of its value in New York trading this year. Fannie Mae lost 66 percent. Combined losses at the companies could run into the billions of dollars. These financial troubles have eroded confidence in the housing finance system. This threatens to destabilize the mortgage market vital to ordinary homebuyers.

These are only some of the housing challenges facing American families today. Congress and the Senate Finance Committee, which I chair, recognize the importance of these matters. That is why we have taken action to alleviate the negative consequences of the housing crisis.

In the bill before us, we curb the rising costs of owning a home by creating a nonitemizer property tax deduction for tax year 2008. Currently, homeowners are allowed to deduct local real estate property taxes from their Federal tax returns only if they itemize. According to the Joint Committee on Taxation, more than 28 million taxpayers pay property taxes, but do not itemize. This bill would provide millions of home owners who claim the standard deduction with an additional standard deduction for state and local real property taxes. The maximum amount that may be claimed under this provision is \$500 for an individual, or \$1,000 for joint filers.

The nonitemizer deduction would benefit people with low incomes. It would benefit those who have already paid off their mortgages and thus do not have a reason to itemize. It would benefit young families just starting out. And it would benefit senior citizens. The Congressional Research Service estimates that about 130,000 property-tax payers could benefit in my home State of Montana alone.

This bill would help to reduce the excess supply in the housing market due to declining home values and rising foreclosures. It would do so with a refundable first-time home buyer credit. The bill would give first-time home buyers a refundable tax credit equivalent to an interest free loan of 10 percent of the purchase price of a home, up to \$7,500.

The provision applies to homes purchased between April 9, 2008, and July 1, 2009. Taxpayers receiving this tax credit would need to repay to the government any amount received under this provision. They could pay it back in equal installments over 15 years. The credit begins to phase out for taxpayers with adjusted gross income in excess of \$75,000, or \$150,000 in the case of a joint return.

This first-time home buyer credit will provide significant, immediate

stimulus to get potential homebuyers into the market and into homes. And it will help to get homebuilders, and the housing industry, back on track. The short-term nature of this credit is also critical because it would avoid oversubsidizing the housing industry in the long run.

This bill would help current homeowners to avoid foreclosures with a temporary increase in mortgage revenue bonds. Under current law, there is a national limit on the annual amount of tax-exempt housing bonds that each state may issue. Many States have reached their limit. This bill would increase this national limit in 2008 to allow for the issuance of an additional \$11 billion of tax-exempt bonds to provide loans to first-time home buyers and to finance the construction of low-income rental housing.

The bill would also temporarily allow qualified mortgage revenue bonds to be used to refinance certain subprime loans. Mortgage revenue bonds are a form of tax-exempt bond issued by States to help provide financing to first-time home buyers. These bonds would result in mortgages with lower interest rates than conventional loans, making them more affordable for lower income borrowers.

This bill would encourage the rebuilding of the low-income housing industry with a temporary increase in low-income housing tax credits. The low-income housing tax credit program helps finance the development of affordable rental housing for low-income families. The credit is the largest source of Federal funding for the construction and rehabilitation of affordable rental housing.

Under current law, there is a State-by-State limit on the annual amount of Federal low-income housing tax credits. This limitation is currently set at \$2 for each person living in the State. States with small populations are provided with a special set-aside. Our proposal would increase this limitation in 2008 and 2009 by an additional 20 cents for each person residing in the State. And it would increase the small State set-aside by 10 percent.

This low-income housing tax credit enhancement could help to meet the needs of low-income families who have been displaced from their homes by foreclosure. More generally, the credit can assist low-income neighborhoods that have shortages of moderately priced rental housing. It could provide a boost to some distressed communities.

This bill also includes reforms to real estate investment trust, or REITs. REITs can be corporations, trusts, or associations. They invest in real estate. And they elect to be taxed under a special tax regime, instead of under the tax rules for corporations.

REITs are subject to complex rules that can limit the ability of these businesses to adjust to changing market conditions and to manage risk. The bill would liberalize these rules by clarifying that REITs can earn foreign cur-

rency income associated with real estate activities. The bill would increase the permissible size of REIT investments in taxable REIT subsidiaries. The bill would modify the REIT safe harbor for dealer sales. And the bill would extend the special rules for lodging facilities to health care facilities.

My colleagues and I have worked long and hard to craft this response to our nation's pressing housing woes in a fiscally responsible way. This bill has achieved bipartisan and administration support. I believe that this bill will strengthen homes at a time when help is needed. The tax provisions work to bring stability to the housing marketplace for every homeowner. I am proud to be a part of this effort.

This bill starts with the American home. It starts with trying to help hardworking American families to stay in their homes. Let's finish this bill and start helping to protect those homes today.

Finally, Ways and Means Committee Chairman RANGEL and I have asked the nonpartisan Joint Committee on Taxation to make available to the public a technical explanation of the bill. The technical explanation expresses the committee's understanding and legislative intent behind this important legislation. It is available on the joint committee's Web site at www.jct.gov.

Mr. AKAKA. Mr. President, the Housing and Economic Recovery Act of 2008 will meaningfully address the housing crisis in our country. I appreciate the leadership of my friends, Banking Committee Chairman DODD, and Ranking Member SHELBY, in developing this vital legislation. Too many families are losing their homes. Not enough working families have access to affordable housing options or are able to secure credit. This legislation protects homeowners across the country, prevents foreclosures, increases the supply of affordable housing, and assists our Nation's veterans.

This act will modernize and improve the Federal Housing Administration, FHA, to provide homeowners with additional access to fixed rate mortgages. Additional resources will be provided by this legislation for housing counseling to assist homeowners in finding solutions to their difficult situations. Mortgage disclosures will be made more meaningful to consumers by this act.

My home State of Hawaii has a severe shortage of affordable housing. Hawaii ranks as the most expensive housing jurisdiction in the country according to the National Low Income Housing Coalition's 2007-2008 Out of Reach report. This bill creates an affordable housing trust fund and a capital magnet fund to increase access to affordable housing. These additional resources help build and preserve affordable housing units for working families.

I also appreciate the inclusion of provisions that would assist veterans and

servicemembers during this housing crisis. I especially appreciate the inclusion of a provision that is derived from my legislation, S. 2768. This corrects an oversight in the Economic Stimulus Act of 2008 and extends the temporary home loan guaranty increase to veterans so that more of them can realize the dream of home ownership.

The VA Home Loan Guaranty was part of the original G.I. bill in 1944. It provided veterans with a federally guaranteed home loan with no down payment. This landmark legislation made the dream of home ownership a reality for millions of returning veterans. The amount of the home loan guaranty was last adjusted by the Veterans Benefits Improvement Act of 2004. The maximum guaranty amount was increased to 25 percent of the Freddie Mac conforming loan limit determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a single family residence, as adjusted for the year involved. Using that formula, because the Freddie Mac conforming loan limit for a single family residence in 2008 is \$417,000, VA will guarantee a veteran's loan up to \$104,250. This guaranty exempts homeowners from having to make a down payment or secure private mortgage insurance.

The newly enacted Economic Stimulus Act of 2008, however, temporarily reset the Fannie Mae, Freddie Mac, and FHA home loan guarantee limits to 125 percent of metropolitan-area median home prices, without reference to the VA home loan program. This had the effect of raising the Fannie Mae and Freddie Mac limits to nearly \$730,000, in the highest cost areas, while leaving the VA limit of \$417,000 in place. This important group of Americans may benefit from an increased home loan guaranty in this time of economic uncertainty. I am hopeful that this increased guaranty limit will assist those veterans and servicemembers who are struggling to purchase a home during this time.

The bill also authorizes a financial education and prospective homeowner counseling demonstration program, which I helped develop with my colleagues Senators MENENDEZ, CARPER, and DODD. This program will help working families prepare for purchasing a home. We must provide greater financial literacy opportunities to empower families to make better informed financial decisions. I will work with my colleagues to secure the necessary funding so that the Department of the Treasury can effectively implement and evaluate this demonstration program.

Mr. President, this essential legislation helps families remain in their homes, expands access to credit, creates more affordable housing opportunities, provides much needed improvements to veterans' housing benefits, and authorizes a prospective home ownership counseling financial literacy demonstration program.

Mr. WHITEHOUSE. Mr. President, I rise today with good news and bad news for the American people. The good news is that the Senate is poised to pass legislation providing badly needed relief for millions of American families in their darkest days: families who stand on the verge of losing their homes. The bad news is that this critical assistance will come only after long, needless delay due to obstruction and political gamesmanship by some members of the Republican minority in this body.

For too many people in this country, times are as tough as they have ever been. With millions of Americans mired in the subprime loan crisis, families across the nation stand just one lost job, one medical expense, one credit card penalty fee, or one car accident away from losing the roof over their heads. Last month, over a quarter of a million homes received a foreclosure notice—that's up over 50 percent from the same period last year. In my State of Rhode Island alone, a State with a population of around 1 million people, over 3,800 homes were in foreclosure in the first quarter of this year alone.

The collapse of the subprime mortgage market has left financial institutions in ruins, left families struggling, and left our economy vulnerable to even more widespread damage, especially as the cost of energy rises. For the first time in generations, Americans now face the prospect of leaving to their children a life with fewer opportunities and greater uncertainty than we inherited from our parents. Our children deserve better.

Democrats in the Senate and the House of Representatives have worked with Republicans to craft a bipartisan measure that will offer the assistance millions of families need to weather the housing crisis today and the reforms necessary to prevent a future housing market implosion. This legislation would authorize the Federal Housing Administration to provide up to \$300 billion in mortgages to distressed homeowners. This program will help over a million homeowners replace their subprime high-rate, low-quality mortgages with quality loans at reasonable rates. In addition, our housing rescue measure would modernize the FHA to permit it to insure a greater number of quality mortgages. For many homeowners and homebuyers, FHA-backed mortgages are the only alternative to the subprime market.

The housing rescue package also includes \$150 million for foreclosure prevention counseling and \$4 billion for communities to buy and restore foreclosed and abandoned properties. Moreover, the bill mandates new disclosure requirements to ensure that future homebuyers are not tricked into mortgages with rates that can change unexpectedly.

This disclosure provision, like so many other elements of this landmark housing bill, was authored by my sen-

ior Senator from Rhode Island, Mr. JACK REED. Senator REED, who serves on the Banking, Housing, and Urban Affairs Committee, has been among the leading voices in the Senate on this issue, working to combat predatory lending and other tactics that disadvantage consumers. Senator REED also fought to ensure that this housing bill includes an affordable housing trust fund that will produce and rehabilitate homes for low-income families, many of whom have been priced out of the housing market. It will literally bring thousands of families out from the cold, and I congratulate Senator REED for his tireless efforts to see this important assistance written into the law of the land.

I am gratified that we are able to finally pass this critical legislation, and that President Bush has finally come to his senses and dropped his longstanding veto threat. This bill represents long-needed and long-awaited relief for American homeowners, and I urge President Bush to sign this legislation without delay as soon as it reaches his desk.

Mr. FEINGOLD. Mr. President, I will vote for this final version of the housing package, but I do so with significant concerns about the new provisions added to the housing bill which bail out the mortgage giants Fannie Mae and Freddie Mac. I certainly agree that these two private corporations play a critical role in the housing market. Indeed, there are powerful arguments that they are too important to let fail, but I regret that the proposed bailout failed to include provisions to more adequately protect taxpayers and to better ensure the behavior of Fannie and Freddie will not be repeated.

Let's not fool ourselves. Fannie and Freddie are not innocent victims in this financial crisis. They were key actors in creating the mess we have been asked to clean up. Instead of bringing their considerable housing expertise to bear by reining in inappropriate home loans, as economist Dean Baker has noted Fannie and Freddie "continued to make loans in bubble-inflated markets, thereby supporting purchases at bubble-inflated prices."

Well the bubble has burst and Congress has been handed the mop. Certainly there will be imperfections in any package we enact to address the collapse in the housing market. In attempting to help those who truly were innocent victims we are likely to benefit some who we would otherwise prefer to be fully subject to the discipline of the marketplace. That may be unavoidable. But this new Fannie Mae and Freddie Mac bailout provision isn't an example of providing unintended benefits through secondhand financial effects; this is a direct bailout of bad actors. The companies' shareholders and the highly paid executives they employ are being held harmless for their ruinously damaging decisions.

The administration and other proponents of these new authorities have

insisted that they may not have to be used. I very much hope that will be the case, and that taxpayers will not end up having to bail out these two private corporations.

This legislation does create a new, independent regulator for Fannie Mae and Freddie Mac. This regulator will be authorized to exercise more oversight of Fannie and Freddie, modify Fannie and Freddie's capital standards, and take other actions to ensure the safety and soundness of Fannie and Freddie. I hope this new regulator will ensure additional reforms of Fannie and Freddie in order to better protect American homeowners and taxpayers in the future.

There are provisions of this bill I strongly support and I am pleased that these provisions will be signed into law shortly. This legislation creates a national housing trust fund which will provide funding to produce, preserve, and rehabilitate affordable housing throughout the country. I have heard from housing advocates throughout my State of Wisconsin about the need to create such a housing trust fund and in response to that feedback, I introduced the Affordable Housing Expansion and Public Safety Act of 2007. My legislation called on Congress to create a national affordable housing trust fund and the bill we are about to pass takes the first steps toward creating such a trust fund. Hundreds of housing trust funds have been created around the country at the State and local level, including recently in the city of Milwaukee. The enactment of this national housing trust fund will help to support the important work of providing affordable housing to American families in Wisconsin and throughout the country. Safe and secure affordable housing is becoming harder to obtain for our most vulnerable families and this housing trust fund takes a significant step toward making such affordable housing easier to obtain.

I also support the provision of almost \$4 billion in emergency CDBG funding to states and local governments to help purchase abandoned or foreclosed upon homes in our Nation's local communities. This funding, which is offset, will help local communities improve the quality of neighborhoods that have been hard hit by foreclosures. I have heard from local government officials in communities like Milwaukee, West Allis, and Madison about the importance of addressing the increased number of foreclosed upon homes in Wisconsin's communities. While Wisconsin has not been as hard hit as other States, foreclosures are on the rise in the State and in some parts of Wisconsin they are concentrated into certain census tracts. One foreclosure in a neighborhood is bad enough, but when you start to have four or five foreclosures in one neighborhood, this can lead to other negative consequences like increased crime, vandalism, and theft. Providing States and local governments with the resources to buy

and rehabilitate these properties will go a long way to improving our Nation's neighborhoods and the livelihood of hard working families.

This legislation is far from perfect, but in the end I will support this measure despite this new bailout provision. The potential collapse of these two mortgage giants poses too great a risk to the housing market, and with it to millions of families whose home value represents a significant portion of their life savings. But I regret the authors of this provision—both in the administration and here in Congress—did not also include provisions to better protect taxpayers and to ensure Fannie Mae and Freddie Mac do not repeat their disastrous mistakes of the past few years. I very much hope such reforms will be a high priority for a new Congress and a new President next year.

Mr. ENZI. Mr. President, today, the Senate will pass the now-infamous housing package for the last time. Each time this legislation has come before the Senate, it has been loaded with more taxes, more spending, and more liability for American taxpayers. As much as I oppose this legislation, I am relieved it is not headed back to the House so Members could add even more tax-and-spend provisions. This bill is a perfect example of how Congress can take a problem and make it worse. If it is worth reacting to, it is worth overreacting to in the Senate. Unfortunately, Americans will be paying for this particular overreaction for years to come, and the bill's implications will be much larger than we can even imagine now.

The first way Americans will be on the hook is through the HOPE for Homeowners Act contained in this bill. This program will create a \$300 billion Federal loan guarantee program to bail out bad real estate investments and banks that made interest-only, no documentation loans. How will they do this? By shifting 100 percent of the liability of foreclosure onto the American taxpayer. Taxpayers could be paying for this provision for the next 30 years.

The Congressional Budget Office, CBO, estimates that this \$300 billion program will only cost \$68 billion. The CBO claims that few banks will use the program because it requires them to take a 10-percent cut in the mortgage principal. But to quote a Wall Street Journal article from July 24, 2008:

If no one needs the program, then why is it there? If lenders do take advantage, they are bound to dump their worst loans on the feds . . . the FHA guarantee will either be superfluous or more expensive than we are led to believe.

I would like to submit the full article for the RECORD.

Second, this legislation taxes the government-sponsored enterprises nearly \$1 billion per year over the next 10 years to cover initial losses stemming from this bailout, and in later years, to fund liberal activist groups posing as affordable housing advocates.

This tax will be levied on companies struggling to stay solvent and keep our markets operational. Such a theory could only fly in Washington: tax a company in order to save it.

While Congress is taxing these companies into insolvency, it is their investors who are paying the price. Over the past month, concerns about passing this bloated bailout and tax bill have contributed to a drop of 80 percent in the stock price of Freddie Mac and Fannie Mae. Americans' pension funds, 401(k) accounts, and other investments have taken a huge hit because Congress wants to micromanage the housing market. To date, Congress's action has only led to more market volatility and stock selloffs as investors wait to hear the next bad idea devised by Congress to fix our Nation's housing market.

I, along with several other Senators, have sent a letter to Securities and Exchange Commission Chairman Cox asking him to comment on the impact this proposal will have on investors. As the agency charged with the mission of investor protection, I am very interested to hear the Chairman's opinion about this special tax Congress will levy on Freddie Mac and Fannie Mae. Investors should not have to calculate the risks of Congress taxing their investments to death.

Finally, as if American taxpayers weren't squeezed enough, a recent proposal by Treasury Secretary Henry Paulson would allow the Federal Government to use taxpayer money to purchase Freddie Mac and Fannie Mae stock. This is potentially the biggest threat to taxpayers in the entire legislation because no one knows how much this will cost. I listened as Secretary Paulson urged the Senate Banking Committee to provide his agency with an unlimited authorization to buy stock. This is a blank check to the Federal Government, written against the taxpayer's account. Shockingly, the House voted for this proposal on July 23, 2008, and the Senate voted for it today.

The same Wall Street Journal article published on July 24 noted that the Paulson proposal:

could cost \$100 billion, or it could cost nothing. So the CBO threw a dart at the wall and assigned a \$25 billion price tag to the Freddie and Fannie bailout.

It is astounding how easily some Members of Congress can vote to give away taxpayer's money by the billions, especially when we do not even know how many billions of dollars we are giving away.

I continue to urge, in the strongest sense, for Members to vote against this legislation. Congress had the opportunity to pass sensible reform for the government-sponsored enterprises years ago that would have avoided this mess. Unfortunately, some Members have decided instead to fund mortgage bank bailouts, allow taxpayer money giveaways, and erode the public's confidence in our markets even more than it already has. A vote against this leg-

islation is a vote to protect American taxpayers and to prevent a further erosion of confidence in the American marketplace.

Mr. LEAHY. Mr. President, the sluggish national economy and the rising cost of housing is a one-two punch that is keeping affordable housing out of the reach of too many Vermont families. It is important that during these times of economic hardship we do more—not less—to help struggling families make ends meet. I am pleased that today, after months of delay, the Senate is set to act on final passage of the Housing and Economic Recovery Act, H.R. 3221, a responsible bill to strengthen our economy, restore confidence in our financial markets, and provide urgently needed relief to American families who are struggling to make ends meet.

Under the Bush administration's watch, unregulated mortgage originators were given financial incentives to sell risky, unaffordable, subprime mortgages to vulnerable borrowers. As these adjustable rate mortgages reset to higher rates, the number of families unable to afford their payments and threatened with foreclosure is skyrocketing.

Foreclosures have climbed in my home State of Vermont and, while subprime mortgages are not the largest driver, the mortgage foreclosure crisis will still have severe costs for homeowners, not only in direct costs but in its effect on home values and declining property taxes. According to the State of Vermont Department of Banking, Insurance, Securities and Health Care Administration, for the first quarter of 2008, well over 400 new foreclosures have been filed in Vermont, which is a 30-percent increase over those filed in last year's first quarter. If the current trend holds, Vermont is facing about 1600 this year.

Several urgent housing-related issues have become prominent already this year. The most visible issue is the prevalence of subprime loans and growing mortgage default and foreclosure rates, affecting an estimated 2 million homeowners. Congress has responded with a reform package to change the way in which the lending and homebuying industry is regulated and to assist borrowers who are facing default and foreclosure. These proposals address several of the problems spawned by a housing foreclosure crisis that has threatened America's hard-working families, their communities, and our local and national economies.

I recognize that this bill is not a perfect solution. However, I also believe the housing crisis and market instability demand action. Ending the foreclosure crisis is vital to the American economic recovery. This package will help prevent another crisis of this magnitude, stop foreclosures before they begin, and preserve for future generations the American dream of home ownership.

Homes that have been foreclosed upon and are sitting unoccupied lead to

declines in neighboring house values, increased crime, and significant disinvestment. To ensure that communities can mitigate these harmful effects of foreclosures, the package provides \$3.92 billion to communities hit hard by foreclosures and delinquencies. These supplemental community development block grant, or CDBG, funds will be used to purchase foreclosed homes, at a discount, and rehabilitate or redevelop the homes to stabilize neighborhoods and stem the significant losses in house values of neighboring homes.

It has always been a priority of mine to help make housing more affordable, and I have worked over the years—as I will do in years to come—to bring the resources into Vermont to make that happen. That is why I worked with Senators SANDERS, BAUCUS, SNOWE, THUNE, and WHITEHOUSE to successfully include a provision that applies an all-State minimum of 0.50 percent to the supplemental CDBG funds provided to States to buy up and rehabilitate foreclosed properties to ensure smaller States like Vermont receive a portion of the help. This will result in roughly \$20 million coming to Vermont to help with foreclosures in our communities.

Now that the President has lifted his veto threat and after months of delay tactics by the minority, the Senate is ready to pass a responsible bill to address the worsening foreclosure crisis, which is the root of the broader economic crisis. By helping Americans keep their homes and their home equity, we are restoring stability to the housing market and helping businesses and communities hurt by this crisis not only recover, but also create new jobs. The Housing and Economic Recovery Act will help prevent another crisis of this magnitude, stop foreclosures before they begin, and preserve home ownership for future generations.

Each day this bill has been stalled, nearly 8,500 new families filed for foreclosure—on top of already accelerating foreclosure filings that were 53 percent higher in June than in the same month last year. The time for delay has passed. It is about time that we send this bill to the President for his signature into law so we may begin to deliver solutions that are in the best interest of the American taxpayer and the U.S. economy.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, it is my understanding that the minority has 2 minutes left; is that right?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. REID. Mr. President, I say to my friend, do you intend to use that?

Mr. SHELBY. Mr. President, I will yield it back.

Mr. REID. Mr. President, on our side, it is my understanding we have 1 minute, plus my time; is that right?

The ACTING PRESIDENT pro tempore. Fifty-four seconds, plus the leader's time.

Mr. REID. Mr. President, I would yield 3 minutes to the Senator from New York, Mr. SCHUMER. No, he doesn't want it. OK. That is unusual.

I wish I had the words to express adequately my appreciation for the work done by the chairman of the committee and the ranking member of the committee. Senator DODD and Senator SHELBY have done a remarkable job under tremendously difficult circumstances to get where we are today. They were for this piece of legislation before Fannie and Freddie got into big trouble because they knew and they could see the problems with the housing industry. The fact that Fannie and Freddie got into trouble only made it more imperative that these two managers of this legislation move forward more rapidly. They have overcome tremendous obstacles.

We have had seven cloture votes on this housing bill. I do not know if in the history of this country we have ever had a single piece of legislation with that many cloture votes, but we had them on this bill. These two very fine legislators—one from the State of Connecticut, with a totally different economy, different political base than that of the State of Alabama—worked together for the good of the American people. I so admire and appreciate the work they have done under, I repeat, very difficult circumstances.

For most Americans, yesterday, Friday, was an ordinary summer Friday. But for about 8,500 families, it was a terrible day because, when they got their mail, there was a foreclosure notice or, when they opened their door, they found on their door a notice of foreclosure or, when they opened the door on Friday, there was someone at the door serving papers on them, moving the legal process forward—foreclosure notices. But they joined, yesterday, 8,500 who received their notice the day before and the day before that and the day before that and the day before that.

During the process of this legislation moving forward, that we should have passed fairly quickly—within, at the most, a week—hundreds of thousands of people received foreclosure notices. Well, 8,500 families will not receive their foreclosure notices today or tomorrow but only because the court-houses are closed for the weekend. On Monday, the drumbeat of foreclosure will continue.

In Nevada, 1 out of every 43 families who have a home now have their home in foreclosure. It is almost the same in Arizona and almost the same in California and almost the same in Florida. There are only two States in the country that do not have the problem, one of which is the State of Alabama.

But for families who face each day with trepidation because of a foreclosure concern they have, hoping a notice has not arrived, in some fashion—

but knowing it may soon—a foreclosure notice is something that is a terrible day in their lives. But today, this Senate will deliver some rare and much-needed good news for people who own homes throughout America. Not only will it help those people who own homes but neighborhoods, communities, States, local governments and servicers and lenders.

We are on the verge of passing a bipartisan housing bill that will help rebuild communities, safeguard future housing meltdowns, and, most importantly, help at-risk families keep their homes. Because of the work in this legislation dealing with Fannie and Freddie, the financial community in America will be stabilized.

It has taken far too long to reach this point where we are today. We have talked about that. The housing bill was introduced in February and work began in the fall of last year.

Now, I have already talked about Senators DODD and SHELBY. During the process of working to get legislation that they thought was appropriate to bring before this body, they both received pressure from their respective caucuses, from editorials: Why aren't they doing something more rapidly? They wanted to bring something to the Senate that would pass. They wanted to work with the House on something that would pass both bodies and be signed by the President. So, again, I underscore the great legislative work these two gentlemen did.

Not only have we had seven cloture votes but we have had Presidential veto threats. Thank goodness those threats have been withdrawn.

As some Republicans have continued to stall, families have continued to lose their homes. And note I said "some" Republicans, not all Republicans in the Senate. But today, at long last, a ray of hope—a chance to turn the page on the housing crisis and begin a new chapter that gives more families a chance at the American dream of responsible home ownership.

Now, we are going to move—after we complete legislation on this housing bill—to LIHEAP. We would not have the opportunity to vote on this most important measure, this energy legislation, but for one Senator, a Senator from the sparsely populated State of Vermont, Mr. BERNARD SANDERS. It is because of his advocacy for months and months that we are going to have an opportunity to vote on this. He has worked on legislation. We have Republicans who support and have agreed to support his legislation. We are going to move to proceed to that.

Now, my friends on the other side of the aisle have expended countless hours of floor time and many barrels of ink talking about the need to do something about energy prices. While they have endlessly talked, the Democrats have been proposing comprehensive solutions.

Yesterday, Republicans refused to join us in a bill to stem the excessive

speculation by Wall Street traders who artificially bid up the price of oil for their own profit. That was a plan Republicans had claimed to support previously. It was part of their legislation. When it came time to take action, the monied interests of this country backed the Republicans down from doing the right thing.

When we offered the Republicans a vote on the very thing they claim to want more than anything—offshore drilling—they passed on that. They said no.

Now, Democrats are proposing improvements to the LIHEAP program. This is yet another bipartisan opportunity to help Americans cope with our energy crisis.

This is something that is a crisis that has been here for a while. Listen to what George Bush, the President of the United States, said. This is a quote:

First and foremost, we've got to make sure we fully fund LIHEAP, which is a way to help low-income folks, particularly here in the East, pay for their high—high—fuel bills.

A direct quote from President Bush.

This legislation assists senior citizens, low-income families, and those who are disabled to afford to heat their homes in winter and cool them during excessive periods of heat in summer.

There are not many States like Nevada. In the southern part of the State, in Laughlin, NV, it is not unusual for the temperature to hit 120 degrees. In the northern part of the State, in places such as Owyhee, it is the coldest place in the Nation on many occasions. It is not unusual at all for it to be 20 degrees below zero. These ranges in temperature indicate that if you are old, if you are disabled, if you are poor, you have trouble paying for the fuel costs to cool your home to survive or to heat your home to survive. People who have temperatures above 100 degrees know how important it is to keep their home cool, and people who are freezing know how important it is to keep their house warm.

Since 2001, Americans are paying three times as much for heating oil and twice as much for propane. As these energy costs have skyrocketed, these LIHEAP proposals we have talked about have been hamstrung. These programs are not there to provide the necessary assistance. As the winter months are growing near, this problem will exacerbate. It will grow worse.

This legislation has rightly earned bipartisan support, as I have talked about, with at least a dozen Republican cosponsors of the Senator's legislation. It is regrettable Republicans could force us to waste valuable hours on a cloture vote on proceeding to this legislation—even allowing us to debate the matter. It is unimaginable Republicans might choose to block us from passing this worthy legislation for which President Bush said: "First and foremost, we've got to make sure we fully fund LIHEAP, which is a way to help low-income folks, particularly here in the East, pay for their high—high—fuel [costs]."

Well, it is not only folks in the East. It is folks in the West and Midwest and all over this country. I hope they will not stall this. They say they want to legislate on energy. They had the chance yesterday. They did not take that. They have a chance again today. We will soon see what they choose to do.

If Republicans choose to join us in passing LIHEAP, we will welcome their votes, certainly, with open arms. But if they choose to block this legislation, they will have to shoulder the burden of millions of low-income families, senior citizens, and those with disabilities who are struggling and suffering to pay their ever-rising energy bills.

Mr. REID. Mr. President, I ask that the vote now occur that is scheduled for 11 o'clock.

The ACTING PRESIDENT pro tempore. Under the previous order, the question is on agreeing to the motion to concur in the amendment of the House to the Senate amendment to the House amendments to the Senate amendment to the bill H.R. 3221.

Mr. REID. I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. CARPER), the Senator from Iowa (Mr. HARKIN), the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mrs. MURRAY), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware (Mr. CARPER) would vote "yea."

Mr. KYL. The following Senators are necessarily absent: the Senator from Colorado (Mr. ALLARD), the Senator from Missouri (Mr. BOND), the Senator from Kentucky (Mr. BUNNING), the Senator from North Carolina (Mr. BURR), the Senator from North Carolina (Mrs. DOLE), the Senator from South Carolina (Mr. GRAHAM), the Senator from Oklahoma (Mr. INHOFE), the Senator from Arizona (Mr. MCCAIN), and the Senator from Virginia (Mr. WARNER).

Further, if present and voting, the Senator from Kentucky (Mr. BUNNING) would have voted "nay."

The PRESIDING OFFICER (Mr. CASEY). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 72, nays 13, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—72

Akaka	Cantwell	Dodd
Alexander	Cardin	Domenici
Baucus	Casey	Dorgan
Bayh	Chambliss	Durbin
Bennett	Clinton	Feingold
Biden	Cochran	Feinstein
Bingaman	Coleman	Gregg
Boxer	Collins	Hagel
Brown	Conrad	Isakson
Brownback	Craig	Johnson
Byrd	Crapo	Kerry

Klobuchar	Mikulski	Shelby
Kohl	Murkowski	Smith
Landrieu	Nelson (FL)	Snowe
Lautenberg	Nelson (NE)	Specter
Leahy	Pryor	Stabenow
Levin	Reed	Stevens
Lieberman	Reid	Sununu
Lincoln	Roberts	Tester
Lugar	Rockefeller	Voinovich
Martinez	Salazar	Webb
McCaskill	Sanders	Whitehouse
McConnell	Schumer	Wicker
Menendez	Sessions	Wyden

NAYS—13

Barrasso	Ensign	Kyl
Coburn	Enzi	Thune
Corker	Grassley	Vitter
Cornyn	Hatch	
DeMint	Hutchison	

NOT VOTING—15

Allard	Dole	Kennedy
Bond	Graham	McCain
Bunning	Harkin	Murray
Burr	Inhofe	Obama
Carper	Inouye	Warner

The motion was agreed to.

The PRESIDING OFFICER. Under the previous order, the motion to concur having been agreed to, the motion to reconsider is considered made and laid on the table. The motion to concur with an amendment is withdrawn.

The majority leader is recognized.

Mr. REID. Mr. President, I know everybody is concerned about what is going to happen tomorrow and Monday. We won't know until after the next vote is cast. Within an hour or so after the final vote, all of the offices will know what will happen either tomorrow and/or Monday. We will have more definite information after the next vote.

WARM IN WINTER AND COOL IN SUMMER ACT

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture—

The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, I know everybody is anxious to leave. Very briefly, voting for cloture on this bill will take us off of the single most important issue in America.

The American people are clamoring for legislation that brings down gas prices, and our leadership friends on the other side want to dismiss this issue instead of taking it head on with bold action.

We want to address the issue of gas prices, and the important thing is to stay on the subject. I strongly urge a "no" vote on this motion.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, the Republicans had every opportunity, for more than a month now, to talk about energy and to vote on energy. They turned that down. On speculation, they had an opportunity to do that. Even though it was part of their proposal, they dropped it. They had an opportunity to vote on drilling. They dropped that. They had an opportunity to vote on oil shale exploration. They would not do that. They said nuclear power was an immediate need of the

American people. They would not vote on that.

Now my colleagues on the other side of the aisle are being—it is being recommended by their leader to vote against LIHEAP. This issue is important to old people, disabled people, and poor people. There are 12 or 13 Republican sponsors of the legislation. So I say to my friends on the other side of the aisle, go ahead and vote against your best interests, I guess.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, of course, none of what the majority leader listed has been offered. Not a single consent to allow any of those votes has been offered. That is the point of this vote.

In order to deal with energy—the No. 1 issue in America—we need to have an open process, such as on the Energy bills of 2007 and 2005, where all of the amendments relative and important to this issue have a chance to be considered here in the Senate. None of that has been offered.

The only way it will be offered is to vote “no” on getting off this subject and staying on the No. 1 subject in America, open up the process, and allow amendments on all of the issues the majority leader referred to and move forward. That is the way we legislate in the Senate.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, my friend, the Republican leader, has said something that is not true. On this floor, on numerous occasions, and in public meetings on numerous occasions in the past 10 days, I have said we are willing to vote on drilling, we are willing to vote on oil shale, and we are willing to vote on nuclear power. In their package, that is one of their seven amendments, which starts on the road to 28 amendments. We said we are willing to vote on that. Now everybody over there, all 48 of them—or however many there are—should understand you have had the opportunity to vote on those amendments. I have offered it on many occasions, many occasions. So any conversation to the contrary simply is without any factual foundation. The record is replete with what I have said.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, everybody wishes to vote. The majority leader and I have a central disagreement here as to what has been said on the floor of the Senate. We will still be on this bill next week. It will be an opportunity to continue the conversation and, hopefully, get the kind of process that will allow all Senators to participate on the No. 1 issue in America.

Mr. REID. Mr. President, the Republican minority is being misled on this issue. We have had opportunities to vote on every one of your amendments, every one of them. They have been stalling for months on lots of things but in the last two weeks on energy.

Everyone should understand, if you want to vote on drilling, we offered that to you on numerous occasions. Oil shale—we offered that on many occasions. The same on nuclear power. This is an opportunity—and American people should understand this—to avoid legislating. It has even gotten so directed that they are going to take out their frustration on what is going on in the country today—mainly that the status quo is not something that the American people want anymore. They are going to take it out on old people, disabled people, and poor people. That is what this LIHEAP vote is all about.

Folks, go ahead and vote against LIHEAP. We are going to vote for it.

Mr. MCCONNELL addressed the Chair.

Mr. REID. Another thing, Mr. President, I am going to get the last word, so we can keep going all day.

Mr. MCCONNELL. Mr. President, I renew the unanimous consent that I offered several days ago that allowed us to begin the process of amendments and listed the first seven amendments that would be offered on my side.

To refresh everyone's memory, the unanimous consent agreement I proffered would have allowed us to go forward and rotate from side to side, as we have done in the past on major legislation of this type, with one amendment on each side. I listed the first seven amendments that would be offered on our side, and it was objected to.

Mr. President, I renew that unanimous consent request.

Mr. REID. Mr. President, reserving the right to object, the American people have seen here, in the last few minutes, what is going on in the country today. No one denies that their big panacea to all of the problems of gas prices—what they have said was the silver bullet—is voting on drilling on the Outer Continental Shelf, letting the Governors decide where they want to drill. We said you can vote on that. They don't want to vote on that. It is the same on oil shale and nuclear.

This is a big stall. They have been stalling for 18 months. That is why we have had to file almost 90 cloture motions, because of filibusters they have conducted.

The final answer to all this stalling is going to come on November 4, because the American people are going to make sure that next year there are not going to be 49 Republicans over there.

The PRESIDING OFFICER. The clerk will report the motion to invoke cloture.

Mr. COBURN. Reserving the right to object, was there a formal objection, Mr. President?

Mr. REID. Yes, I objected.

The PRESIDING OFFICER. Objection is heard.

• Mr. INHOFE. Mr. President, the Senate has been in session all week and held one vote Tuesday and two votes this morning—all procedural votes. We have considered a bill this week con-

cerning the number one issue in America today—the price of energy. Instead, of allowing a full debate on the bill and, most importantly, a full opportunity to allow amendments to actually open up supplies and provide Americans with options, the Democratic majority has closed debate and prohibited any opportunity to amend the bill.

Now, the Senate Democratic majority, after wasting an entire week, is engaged in a stunt to keep the Senate in session this weekend in some false demonstration they are serious about now addressing the issues that concern Americans trying to proceed to legislation to add \$1.2 billion for the LIHEAP program. LIHEAP is a federally funded grant program that is implemented by states to give low income people funds to pay home energy bills. Generally, the primary beneficiaries of LIHEAP are users of natural gas, heating oil, and propane, and most of the assistance is confined to the NE United States.

Instead of simply placing more funding into a grant program, we should have used this past week to address increasing energy supplies to meet our long term national energy demands. I have previously opposed simply providing more funding for a grant program which does not address our energy needs, and will not attend the vote tomorrow since I would vote “no” so I request this statement appear in the RECORD, prior to the cloture vote on the motion to proceed.●

Mr. SPECTER. Mr. President, I am voting against cloture on the LIHEAP bill because the invocation of cloture would displace the bill on oil speculators. I strongly believe the Senate should stay on the oil speculators bill because of the critical importance of that bill in light of the enormously high price of oil and gas at the pump.

During my tenure in the Senate, no one has been more supportive of LIHEAP than I. I have consistently taken the lead as chairman of the LHHS Subcommittee to increase Federal funding for LIHEAP. The Senate will have an opportunity to act on the Sanders bill in this session to increase LIHEAP.

Mr. LEVIN. Mr. President, by now, all Americans are well aware of the record-high gas prices that have reverberated through our economy, hitting pocketbooks and inflating the price of everything from food to manufactured goods. An issue that receives far less attention, however, is the ever-increasing price of utilities for home heating and cooling. During the next 2 years alone, the Energy Information Administration, EIA, estimates that utility costs will increase substantially. In 2008 and 2009, average residential electricity prices are projected to increase by 5.2 percent and 9.8 percent, respectively, while natural gas will increase by 16 percent and 34 percent. Home heating oil is projected to soar by an astounding 63 percent in 2009 alone.

During these difficult economic times, no one has been more adversely affected by high energy prices than low-income households and the unemployed, who have been hit with the double whammy of paying for skyrocketing gas prices and increased home heating and cooling bills at the same time. Since President Bush took office, the average price of a gallon of gasoline has nearly tripled, and residential energy prices have shot upward by astounding amounts, financially crippling lower income households, forcing many of them to choose whether to pay for essential food and medicine, or to keep the heat on during the dead of winter. In my home State of Michigan, my constituents are worried about how they will pay for natural gas, home heating oil and propane for the upcoming winter.

That is why increased funding for the Low-Income Home Energy Assistance Program, LIHEAP, is critical. LIHEAP was created in 1981 to help low-income families, elderly individuals on a fixed income and the unemployed pay their energy bills. Even before recent and projected increases in energy prices, my home State of Michigan—like other States—started off with less funding in this fiscal year than was required to meet the need. There have been significant efforts over the last couple of years to provide full funding for the LIHEAP program—consistent with that authorized by the Energy Policy Act of 2005—but these efforts have been thwarted by an administration unwilling to support this program at the necessary level.

The bill before the Senate—the Warm in Winter and Cool in Summer Act, S. 3186—would significantly strengthen LIHEAP. These additional emergency funds would go a long way toward providing households with the necessary assistance in dealing with soaring energy costs. I am an original cosponsor of this critical legislation, and I am pleased to support it. I look forward to its swift enactment into law.

Mr. LEAHY. Mr. President, I rise in support of S. 3186, the Warm in Winter and Cool in Summer Act. As an original cosponsor of this important legislation that nearly doubles funding for the Low-Income Home Energy Assistance Program, LIHEAP, I urge my colleagues to support the motion to invoke cloture.

While we are currently in the middle of summer, every Vermonter knows that winter isn't far off. Families in cold-weather States, like Vermont, who were able to pay this past winter's bill, are already preparing for next winter and they are finding the costs of home heating to be out of reach.

In its most recent "Short-Term Energy Outlook," the Department of Energy predicted that the cost of home heating oil will increase more than 41 percent from the fourth quarter of 2007 to the fourth quarter of 2008. This increase comes on top of the 162-percent increase in heating oil prices that has

occurred since President Bush took office.

Many of our neediest neighbors will need Federal and State assistance in order to fill their fuel tanks. There is currently \$120 million in LIHEAP emergency funds that Congress has appropriated and the President could release tomorrow. Unfortunately, so far he has refused to do so.

I have passed an amendment that would require the President to release the \$120 million in emergency LIHEAP funding. Yet clearly more funding is needed.

The skyrocketing price of home heating oil, propane, kerosene, natural gas and electricity is stretching the household budgets of millions of families with children, senior citizens on fixed incomes and persons with disabilities beyond the breaking point.

More LIHEAP assistance is urgently needed. This legislation will provide an additional \$2.5 billion for LIHEAP. With the current oil prices, the average LIHEAP grant only pays for 18 percent of the total cost of heating a home with heating oil in the winter; 21 percent of residential propane costs; 41 percent of natural gas costs; and 43 percent of electricity costs.

This legislation is a moral imperative. People without adequate heat are vulnerable to illness. And people struggling to pay the heating bills may be tempted to skimp on medicines and even food. No one should have to choose between heating and eating.

I hope my colleagues in the Senate will join us in supporting this bill immediately and the President will sign it as soon as possible.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 835, S. 3186, a bill to provide for the Low-Income Home Energy Assistance Program.

Harry Reid, Bernard Sanders, Barbara A. Mikulski, Charles E. Schumer, Christopher J. Dodd, Debbie Stabenow, Maria Cantwell, Byron L. Dorgan, Richard Durbin, Patrick J. Leahy, Patty Murray, John F. Kerry, Kent Conrad, Benjamin L. Cardin, Jack Reed, Jon Tester, Thomas R. Carper, Joseph R. Biden, Jr.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 3186, a bill to provide funding for the Low-Income Home Energy Assistance Program, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Iowa (Mr. HARKIN), the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mrs. MURRAY), and the Senator from Illinois (Mr. OBAMA) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Colorado (Mr. ALLARD), the Senator from Missouri (Mr. BOND), the Senator from Kentucky (Mr. BUNNING), the Senator from North Carolina (Mr. BURR), the Senator from North Carolina (Mrs. DOLE), the Senator from South Carolina (Mr. GRAHAM), the Senator from Oklahoma (Mr. INHOFE), the Senator from Georgia (Mr. ISAKSON), the Senator from Arizona (Mr. MCCAIN), and the Senator from Virginia (Mr. WARNER).

Further, if present and voting the Senator from Kentucky (Mr. BUNNING) would have voted "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 50, nays 35, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—50

Akaka	Dorgan	Nelson (FL)
Baucus	Durbin	Nelson (NE)
Bayh	Feingold	Pryor
Biden	Feinstein	Reed
Bingaman	Johnson	Rockefeller
Boxer	Kerry	Salazar
Brown	Klobuchar	Sanders
Byrd	Kohl	Schumer
Cantwell	Landrieu	Smith
Cardin	Lautenberg	Snowe
Carper	Leahy	Stabenow
Casey	Levin	Sununu
Clinton	Lieberman	Tester
Coleman	Lincoln	Webb
Collins	McCaskill	Whitehouse
Conrad	Menendez	Wyden
Dodd	Mikulski	

NAYS—35

Alexander	Domenici	Murkowski
Barrasso	Ensign	Reid
Bennett	Enzi	Roberts
Brownback	Grassley	Sessions
Chambliss	Gregg	Shelby
Coburn	Hagel	Specter
Cochran	Hatch	Stevens
Corker	Hutchison	Thune
Cornyn	Kyl	Vitter
Craig	Lugar	Voinovich
Crapo	Martinez	Wicker
DeMint	McConnell	

NOT VOTING—15

Allard	Graham	Kennedy
Bond	Harkin	McCain
Bunning	Inhofe	Murray
Burr	Inouye	Obama
Dole	Isakson	Warner

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 35. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader is recognized.

Mr. REID. Mr. President, I enter a motion to reconsider the vote by which the motion to invoke cloture was not invoked on the motion to proceed to S. 3186.

The PRESIDING OFFICER. The motion is entered.

Mr. REID. I now withdraw the motion to proceed to S. 3186.

The PRESIDING OFFICER. The motion is withdrawn.

ADVANCING AMERICA'S PRIORITIES ACT—MOTION TO PROCEED

CLOTURE MOTION

Mr. REID. Mr. President, I move to proceed to Calendar No. 894, S. 3297. With that, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 894, S. 3297, the Advancing America's Priorities Act.

Harry Reid, Jon Tester, Carl Levin, Christopher J. Dodd, Maria Cantwell, Benjamin L. Cardin, Daniel K. Inouye, Hillary Rodham Clinton, Kent Conrad, Bernard Sanders, Patty Murray, Debbie Stabenow, Ron Wyden, Patrick J. Leahy, Max Baucus, Dianne Feinstein, Richard Durbin, Robert Menendez, Sherrod Brown.

Mr. REID. Mr. President, pursuant to rule XLIV of the Standing Rules of the Senate, I hereby certify that, to the best of my knowledge and belief based upon information provided to me by the committees of jurisdiction, S. 3297 does not contain any congressionally directed spending item, limited tax benefit, or limited tariff benefit, as those terms are defined in rule XLIV.

There are no tax or tariff provisions in the bill whatsoever. Nor do I believe the bill contains any "congressionally directed spending items" which rule XLIV defines as "a provision or report language included primarily at the request of a Senator providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula-driven or competitive award process."

To clear up any misconceptions, the bill provides only authorizations—enactment of the bills would have no effect on the Federal budget deficit or debt. As the nonpartisan CBO stated in a letter regarding S. 3297, "By themselves—that is, in the absence of subsequent legislation—those authorizations [in S. 3297] do not cause changes in Federal spending or revenues." I wish to ask that a copy of this and a related CBO letter be printed in the RECORD.

As a formal matter, no provision of S. 3297 could qualify as a congressionally directed spending item under rule XLIV because no provision was added

"primarily at the request of a Senator." S. 3297 is a compilation of bills identified by my staff as meeting the following criteria: No. 1. the other Chamber has approved companion legislation; No. 2. the Senate committee of jurisdiction supports the bill, e.g., by approving it in Committee, by assenting to a "hotline," et cetera; No. 3. the bill has broad bipartisan support, and No. 4. to the best of our knowledge the only impediment to enacting the bill was the obstruction of a single Member of the Senate. Bills were included in the package because they met these criteria, not "primarily at the request of a Senator." That is, with one exception noted below, if a bill satisfied these criteria, it was included in the package regardless of whether a Senator requested its inclusion, and if it did not satisfy these criteria, it was not included regardless of whether a Senator requested its inclusion.

The only item in the package that does not meet all of these criteria is the Prenatally and Postnatally Diagnosed Conditions Awareness Act, S. 1810, introduced by Senator BROWNBACK and cosponsored by Senator KENNEDY, because it has not yet been passed by the House. Senator BROWNBACK requested inclusion of the provision in the package, Senator KENNEDY supported the bill, and it apparently has broad bipartisan support. No provision of that act could be considered a congressionally directed spending item, limited tax benefit, or limited tariff benefit.

But because the spirit of transparency underlying rule XLIV is not served by such a formal approach, my staff asked the committees of jurisdiction to identify any item that might be considered a congressionally directed spending item in the respective bills as considered by committee. Each committee indicated that it did not believe any item included in S. 3297 within its respective jurisdiction meets the definition of a congressionally directed spending item.

The Advancing America's Priorities Act includes many important bills, including the following: a bill to promote research into and better care for those suffering from Lou Gehrig's disease; a bill to promote research into and better care for Americans suffering paralysis, a healthcare problem all too prevalent among our brave veterans; a bill to promote research into and better care for individuals who suffer strokes; a bill to promote research into and awareness of postpartum depression; several bills to protect children from exploitation and to crack down on child pornography; several bills to reauthorize successful U.S. foreign policy programs; a bill to promote the safety of families enjoying America's beaches; a bill to help increase the availability of broadband throughout the United States; several bills to improve our understanding of the oceans; and a bill to promote investments in mitigating risks before a disaster strikes, saving

the Federal and State governments money in the long run.

To avoid specious arguments that distract from the substance of these important bills, and in the interest of the broadest possible transparency, I provide here information about each of the items that even might be alleged to be a congressionally directed spending item.

One subtitle in the bill, title VI, subtitle A, authorizes \$1.5 billion in funding for capital investments and preventive maintenance projects for the Washington Metropolitan Area Transit Authority, an authority established pursuant to a compact provided for under Federal law. Over 40 percent of the Washington Metro ridership consists of Federal employees. The Government relies upon Metro for transporting the millions of tourists who visit the Nation's Capital each year, for special events, and for evacuation planning. Since the Metro was first built, the Federal Government has made capital investments in the Metro on three separate occasions: 1969, 1980, and 1990. Apparently, a Republican Senator is claiming this subtitle constitutes an "earmark." Assuming that the term "earmark" is intended to be synonymous with "congressionally directed spending item," this claim appears to be inaccurate. Under this theory of what constitutes a "congressionally directed spending item," nearly every authorization or appropriation relating to an entity within the government of Washington, DC, would be considered an earmark. The House did not consider the legislation to contain an earmark under equivalent House rules. Senators MIKULSKI, WARNER, CARDIN, and WEBB sent a letter supporting inclusion of this provision in the package. It was included because it satisfied the criteria noted above.

Another item in the bill, title VII, authorizes \$12 million for the Smithsonian Institution to construct a greenhouse facility at its museum support facility in Suitland, MD. The lease on the greenhouse currently used by the Smithsonian Institution expires next May. If the Smithsonian Institution does not obtain a new greenhouse facility, it will have to find a way to dispose of the scientifically important National Orchid Collection, over 11,000 orchids, many of which are extinct or threatened in the wild. Further, the greenhouse is important to the historic gardens surrounding the Smithsonian Museums. The provision would not appear to meet the definition of a congressionally directed spending item in any event because it is a House-originated item, the House committee noted that the legislation was requested by the Smithsonian Institution—the authorization is directed to a Federal trust instrumentality, and money appropriated under the provision would be spent under a competitive bidding process. The House committee of jurisdiction stated that it was unclear whether the provision met the definition of a "congressional earmark"

under equivalent House rules. Senators DODD and LEAHY expressed their support for including the provision in the package. It was included because it satisfied the criteria noted above.

One bill in the package—title V, subtitle B, part II, subpart B—authorizes funding for the National Oceanic and Atmospheric Administration, NOAA, to advance undersea technology through the National Institute for Undersea Science and Technology. This technology supports NOAA's Undersea Research Program's, NURP's, regional centers. The National Institute for Undersea Science and Technology was established in 2002 at the University of Mississippi—Oxford, MS—and the University of Southern Mississippi—Stennis Space Center, MS—in partnership with NURP's. The National Technology Institute and undersea regional centers undergo periodic external review. According to the best information available to me, funds under the provision would be administered through a competitive award process, and therefore this provision would not appear to constitute a congressionally directed spending item. A similar provision in a House companion bill was not treated as an earmark under equivalent House rules. According to the best information available to me, Senator COCHRAN requested inclusion of the provision in the original committee-passed bill. The part of the bill in which the provision is located was not included in the package at the request of a Senator; it was included because it satisfied the criteria noted above.

Finally, another item in the bill authorizes \$5 million in funding for the Museum of the History of Polish Jews, Title IV, subtitle F. This provision would not appear to meet the Rule XLIV definition of "congressionally directed spending item" as it is a House-originated item, there is no indication that the House treated it as containing an earmark under equivalent House rules, and it is clear that support for the provision is based on widespread agreement with the policy underlying it, not parochial interests—the House bill passed the House of Representatives by a vote of 407 to 13. The provision was not included at the request of a Senator; it was included because it satisfied the criteria noted above.

Mr. President, I ask unanimous consent to have the two letters to which I referred printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 25, 2008.

Hon. HARRY REID,
Majority Leader,
U.S. Senate, Washington, DC.

DEAR MR. LEADER: The Congressional Budget Office has reviewed S. 3297, a bill to advance America's priorities, as introduced on July 22, 2008. The bill includes numerous provisions that would affect health care, criminal statutes, laws to protect wildlife and the environment, international aid programs, efforts to promote commerce, ocean research, and other government programs.

Most of the bill's provisions would specifically or implicitly authorize increased appropriations for purposes specified in the bill. By themselves—that is, in the absence of subsequent legislation—those authorizations do not cause changes in federal spending or revenues.

Although CBO has not completed a comprehensive review of S. 3297, we have previously prepared cost estimates for numerous pieces of legislation that are similar or identical to most of the major provisions in this bill. Based on those previous estimates and on a preliminary review of S. 3297, CBO estimates that, in total, the bill would authorize the appropriation of approximately \$10 billion over the 2009–2013 period. CBO estimates that, if those sums are appropriated in future legislation, implementing the bill would cost about \$8 billion over the 2009–2013 period.

Some provisions of S. 3297 would establish new federal crimes. Because those prosecuted and convicted under S. 3297 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the relatively small number of cases affected.

S. 3297 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would impose a private-sector mandate on certain entities that handle nonhuman primates, but CBO expects that the cost of the mandate would fall well below the annual threshold established in UMRA for private-sector mandates (\$136 million in 2008, adjusted for inflation).

If you wish any further details, we will be pleased to provide them. The CBO staff contact is Kim Cawley.

Sincerely,

PETER R. ORSZAG,
Director.

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 25, 2008.

Hon. KENT CONRAD,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This letter responds to the questions you posed on July 17, 2008, about the impact on the federal budget from enacting legislation that authorizes future appropriations but does not affect direct spending or revenues. Consequently, this letter does not address legislation that would permit agencies to incur obligations in advance of appropriations (for example, legislation providing new contract authority).

Question #1: Does an authorization of future appropriations provide the authority for federal programs or agencies to incur obligations and make payments from the Treasury?

Answer: No. A simple authorization of appropriations does not provide an agency with the authority to incur obligations or make payments from the Treasury.

Question #2: Can an agency or program spend money without the authority from Congress to incur obligations and make payments from the Treasury?

Answer: No. An agency is not allowed to spend money without the proper authority from Congress to incur obligations. (See 31 U.S.C. §1341, which outlines limitations on expending and obligating funds by officers and employees of the United States Government.)

Question #3: Even if legislation authorizes appropriations for a program, isn't it the case that a subsequent act of Congress is re-

quired before an agency can spend money pursuant to the authorization?

Answer: Yes. For discretionary programs created through an authorization, the authority to incur obligations is usually provided in a subsequent appropriations act. An agency must have such an appropriation before it can incur obligations. (Legislation other than appropriation acts that provides such authority is shown as increasing direct spending.)

Question #4: If no new spending can occur under the authorizing legislation, does it have the effect of increasing the federal deficit and/or reducing the federal surplus?

Answer: No. An authorization of appropriations, by itself, does not increase federal deficits or decrease surpluses. However, any subsequent appropriation to fund the authorized activity would affect the federal budget.

Question #5: Would CBO's projection of federal debt change as a result of enacting legislation that only authorizes future appropriations? Is it not correct that the agency's projection of future debt would be identical both before and after the enactment of such legislation?

Answer: Enacting legislation that only authorizes future appropriations would not result in an increase in CBO's projection of federal debt under its baseline assumptions.

I hope this information is useful to you.

Sincerely,

PETER R. ORSZAG,
Director.

Mr. WEBB. Mr. President, I do not believe that the provisions of title VI, subtitle A of S. 3297 corresponding to the National Capital Transportation Amendments Act constitute a "congressionally directed spending item." However, out of an abundance of caution and after discussions with the Senate Select Committee on Ethics, and pursuant to my best of understanding of Senate rule XLIV, I certify that neither I nor my immediate family has a pecuniary interest in the provisions of title VI, subtitle A of S. 3297, consistent with the requirements of paragraph 9 of rule XLIV of the Standing Rules of the Senate.

Mr. CARDIN. Mr. President, I do not believe that the provisions of title VI, subtitle A of S. 3297, corresponding to the National Capital Transportation Amendments Act of 2007, constitute a "congressionally directed spending item," but out of an abundance of caution, I certify that neither I nor my immediate family has a pecuniary interest in the provisions of title VI, subtitle A of S. 3297, consistent with the requirements of paragraph 9 of rule XLIV of the Standing Rules of the Senate.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Advancing America's Priorities Act. I do not believe that the provisions of title VI, subtitle A of this bill, corresponding to the National Capital Transportation Amendments Act, constitute a "congressionally directed spending item," but out of an abundance of caution, I certify that neither I nor my immediate family has a pecuniary interest

in the provisions of title VI, subtitle A of this bill, consistent with the requirements of paragraph 9 of rule XLIV of the Standing Rules of the Senate.

Mr. LEAHY. Mr. President, I do not believe that the provisions of title VII of the Advancing America's Priorities Act, S. 3297, constitute a "congressionally directed spending item," as defined by Public Law 110-81, but out of an abundance of caution I certify that neither I nor my immediate family has a pecuniary interest in the provisions of title VII of S. 3297, consistent with the requirements of paragraph 9 of Rule XLIV of the Standing Rules of the Senate.

Mr. DODD. Mr. President, I rise today to thank the majority leader, Senator REID, for including in S. 3297, the Advancing America's Priorities Act, an important initiative to support the horticulture operations of the Smithsonian Institution. Without this needed support, the Smithsonian Institution would not be able to maintain or continue the same level of horticulture services it currently provides.

I additionally want to thank Senator FEINSTEIN, chair of the Senate Committee on Rules and Administration, for her support of this important initiative. I would also like to note the support for this effort of Senators LEAHY and COCHRAN and thank them for their work to preserve the Smithsonian's many valuable contributions.

I do not believe that the provisions of title VII of S. 3297 constitute a "congressionally directed spending item," but out of an abundance of caution I certify that neither I nor my immediate family has a pecuniary interest in the provisions of title VII of S. 3297, consistent with the requirements of paragraph 9 of rule XLIV of the Standing Rules of the Senate.

Mr. President, I urge my colleagues to support this important and needed initiative to support the horticulture operations of the Smithsonian Institution.

UNANIMOUS-CONSENT REQUEST— S. 294

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on S. 294, the Passenger Rail Investment Improvement Act; further, that the Senate disagree to the House amendment, agree to the request for a conference on the disagreeing votes of the two Houses, and the Chair be authorized to authorize conferees on the part of the Senate with a ratio 4 to 3.

The PRESIDING OFFICER. Is there objection?

Mr. COBURN. I object.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, there are a number of individuals who want to speak. I ask consent that the following be the order of the Chair: that Senator BROWN be recognized for 10 minutes, Senator CANTWELL for 1 minute—Senators BROWN and CANTWELL for 1 minute and Senator ENZI for 1 minute. How many minutes is that?

Where I made my mistake is Senator CANTWELL needs 4 minutes. So Senator BROWN, 10 minutes; Senator CANTWELL, 4 minutes; Senator ENZI, 1 minute; Senator CARPER, 1 minute; and then the Senator from Alaska would be given 30 minutes to distribute however she feels appropriate. This is all as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Ohio is recognized.

Mr. BROWN. Mr. President, would the Presiding Officer let me know when I have 1 minute left, please?

The PRESIDING OFFICER. The Senator will be notified.

LIHEAP

Mr. BROWN. Mr. President, with gas prices soaring, the effects are being felt all across my State of Ohio. In the last year and a half, I have held 110 roundtables, talking to people in 75 of Ohio's 88 counties, listening to what they are telling me about gas prices and about other challenges: food prices, the cost of energy to heat their homes—all of those. School districts in Appalachia are contemplating going to 4-day school weeks just to cut down on the amount of gas the buses will use. The bicycle police academy in Columbus is being forced to turn applicants away, as community after community is looking to put police on bicycles in order to keep fuel costs down. Police and fire departments across Ohio are struggling to keep community services going while facing crippling gas prices. Our truckers, our farmers, and our businesses are struggling and are often forced to raise the prices of their goods and services.

This price increase is devastating to our poorest populations, who, come winter, will be facing a double whammy: trying to pay for gasoline to get to work and for either natural gas or heating oil to heat their homes. We are deep into this energy crisis, and while Americans are currently most affected at the pump, we cannot forget that winter is around the corner. Fuel prices are still on the rise. We have witnessed a nearly 40 percent rise in heating oil already this year. That means Americans are going to need all the relief they can get this winter.

When pocketbooks are drained to pay heating bills, families are forced too often to make very difficult decisions. It is money families can use to put food on the table, pay for transportation, buy winter coats or other necessities

for their children. That is why we have LIHEAP, which we just voted on and which, on basically a party-line vote, Republicans oppose. The LIHEAP program is geared toward preventing families from facing this heat-or-eat dilemma. But despite its success, current funding levels do not meet its demands. That is why LIHEAP is so crucial. It would assist the elderly, assist moderately low-income families, and other low-income individuals who already experience financial strain as their wages remain stagnant but they have higher gas prices to get to work, higher food prices, and now, when winter comes, higher prices to heat their homes. The lack of funds to invest in solutions with upfront costs and long-term savings keeps too many low-income individuals in poverty.

An increase in LIHEAP funding would also increase the Weatherization Assistance Program, which prevents families from wasting energy while also providing good-paying jobs.

In Marietta, a few weeks ago, I met a crew of four young men who were learning a skill and assisting the elderly. They were paid \$12, \$13 an hour, fixing up homes, weatherizing them, cutting energy bills for the elderly, for low-income elderly residents of Washington County. They were saving on energy for all of us as energy prices keep going up, and they were learning this trade and making a difference for all of us.

Given current energy strains and current financial strains Americans have already experienced, the time for Congress to act on LIHEAP is now, before Americans get left out in the cold.

HOUSING

Mr. BROWN. Mr. President, I thank the majority leader for bringing the housing bill to the Senate today. It was met in the past by a filibuster, but the good work of Chairman DODD and Ranking Member SHELBY and the majority leader means we finally have housing legislation that will matter to Ohioans and matter to Americans. In Ohio's Morgan County, for instance, a small rural county in southeast Ohio, foreclosures were up 60 percent over last year, and the year, obviously, is only half over. More than 200 families in my State lose their homes every day.

This housing legislation will make a difference in helping people stay in their homes. It will help communities deal with the costs they bear in fixing up abandoned homes, sometimes knocking down those homes because homes that are blighted homes in any community cause the value of homes in the neighborhood owned by people who are paying and keeping up, keeping their houses looking good and paying their mortgages—their homes decline in value because of the foreclosures in their neighborhoods.

This legislation, in addition to all the other things it does, provides help

to communities to fix up those blighted homes, to knock down those that are beyond repair, and provides money—as has been cosponsored, worked on assiduously by the Presiding Officer, the Senator from Pennsylvania—provides money for neighborhood counselors so they can work out these loans and stay in their homes, people who might be delinquent but, if they can get a 30-year fixed mortgage, are able to stay in their homes.

This is particularly good news this week, moving forward on housing legislation to deal with this crucial problem that afflicts so many in our community.

Every day we delayed has meant more families who were not able to refinance their homes through the HOPE for Homeowners program. Every day we spent slogging through procedural hoops meant more communities that were unable to keep up with the flood of foreclosures they are facing. And every day of delay denied help to homebuyers that might help stem the slide that is hurting everyone.

This legislation was adopted in the Banking Committee by a vote of 19 to 2, thanks to the leadership of Senator DODD and Senator SHELBY. It has the support of the overwhelming majority of the Senate.

The bill before us would provide critical relief to homeowners and communities across the country. By no means will it help everyone. Some people just took on too big a mortgage. Even with a reasonable mortgage, they would be unable to pay the home they purchased. Other people have encountered trouble—like job loss or a divorce—that this legislation cannot cure. Still others got caught speculating on endlessly rising prices.

But hundreds of thousands of families could afford to stay in their homes if they had a fair and stable mortgage, one with a reasonable interest rate rather than a predatory one, without hidden strings or traps that make it impossible to pay off.

These are the families that need our help. They may be a minority of the people who face foreclosure in the next two or three years, but their numbers are substantial.

And every home we do save makes this effort worthwhile. Every home we save spares a family from the trauma of foreclosure. It saves their neighbors from the drag that foreclosures have on the price of surrounding homes. And it saves their towns and cities from the increased costs that often stem from abandoned buildings.

Up until this week, President Bush planned to veto this legislation. He argued that cities whose neighborhoods are being hollowed out by foreclosures do not need help from the Federal Government. I strongly disagree.

This legislation contains close to \$4 billion that will be allocated to the States and towns that have been hardest hit by the foreclosure crisis. Ohio is certainly one of these States. By most

measures it is in the top three to five States based on foreclosures, subprime loans, and defaults.

The \$4 billion in this legislation would be used to provide grants to cities and towns across the country to deal with vacant properties—renovating some and tearing down others.

Ironically, years ago many cities in my home State tried to block predatory lending in their communities since the Federal and State governments were standing on the sidelines. They were prevented from doing so.

Many are now taking these lenders to court, to try to get some help in cleaning up the damage from a decade of irresponsible lending. Does the President really think that the mayors of Ohio are going to bail out these very same lenders?

Of course they won't. What they will do is try to reclaim and rebuild their neighborhoods.

In addition to helping Ohio's cities, this legislation will provide vital help to homeowners. The HOPE for Homeowners Act we are adopting will provide hundreds of thousands of families the opportunity to refinance their current, unaffordable loans into a fixed rate loan at an affordable interest rate.

This is a voluntary program. It will only work if lenders are willing to recognize a significant loss on these loans. But I hope it will be in the interest of many lenders to take a partial loss rather than force people needlessly into foreclosure.

This legislation will also modernize the FHA loan program so that homeowners will have a good alternative to the subprime loans that have led to so much trouble for so many.

It will provide some \$15 billion in tax benefits to help families and shore up the housing market. First-time homebuyers will be eligible for a refundable tax credit to help finance the purchase of a home.

People who do not itemize their taxes will be able to claim an additional deduction for property taxes this year.

And housing agencies will be given increased authority to issue tax-exempt bonds to refinance subprime loans, help first-time homebuyers, and build low-income rental housing.

This legislation also provides an additional \$180 million in funds for counseling to help people figure out how to stay in their homes.

This is so important. The changes in mortgage finance have been effective in spreading risks around the globe, but responsibility has followed.

Very rarely these days can you go downtown to your local bank and rework your mortgage. Borrowers are understandably confused and frustrated in their efforts to rework their loans. The nonprofit counseling agencies in Ohio and around the country have performed a vital service in saving homes after home.

Finally, this legislation will strengthen the regulation and oversight of Fannie Mae and Freddie Mac.

They play a critical role in our economy. Today they hold or guarantee some \$5 trillion in mortgages. With the weakness in the credit markets, they are providing important liquidity to the housing market.

Treasury Secretary Paulson came before the Banking Committee a week and a half ago and made the case for providing extraordinary power to the executive branch to backstop Fannie Mae and Freddie Mac. This legislation provides it to him and his successor for the next 18 months.

I hope the market stabilizes over the months ahead and the regulatory changes we have put in place will ensure that the Treasury Secretary never has to utilize the power given to him. It can only be exercised if taxpayers are first in line to be paid back and the financial consequences of inaction would be worse than intervention.

We don't know what the months ahead will bring, but we do know that we cannot stand by and watch any longer.

I regret that it has taken so long for the Government to act—regulators, State government, and Congress. But at long last we are about to take action, and for that I am grateful.

The PRESIDING OFFICER. The Senator from Washington State.

HONORING DAVE NIEHAUS

Ms. CANTWELL. Mr. President, I know many of my colleagues are here to talk about important issues of the day we are voting on here on the Senate floor. But I rise with a point of pride and personal privilege to talk about a great moment for the Pacific Northwest; that is tomorrow's induction into the Baseball Hall of Fame of Dave Niehaus, our broadcaster.

For 32 years, Dave has been the voice of the Seattle Mariners and he has been broadcasting in that broadcast booth from the team's first game in 1977. Next year will be his 5,000th Mariners game, which in and of itself is an incredible milestone.

I know everybody who is a baseball fan, not only in the Northwest but all throughout the country, knows that when someone has that unique position of calling a baseball game he does breathe life into each inning regardless of the score.

Many people new to the Northwest may not realize that in the late 1990s, up until that period, most of the Mariner games were only on the radio. For a good part of the team's history, let's say our team was struggling.

It took the Mariners 15 seasons to break .500 baseball. But yet the radio ratings were always strong and people kept tuning in, and that is because the voice of Dave Niehaus and his approach to the game kept the fans listening.

Like so many of the 33 broadcasters who are enshrined before him in Cooperstown, he found a way to make each game a treat for the fans to listen to. In 2007, the Seattle Times called him

"the voice of summer in Seattle." I could not agree more.

Dave also made a brief bit of history by doing the first play by play of a baseball game live on the Internet in September of 1995 when the Mariners and the Yankees played. So baseball came into cyberspace and everybody around the world got to hear some of Dave Niehaus's great phrases such as "swung and belted" and "get the mustard and rye bread, grandma, because it's grand salami time."

And for the fans, we do consider Dave part of the team. In fact, in 1999 the Mariners chose to honor Dave Niehaus by having him throw out the ceremonial first pitch at the opening of our new stadium, something that is the pride of the Northwest, Safeco Field which was opened in 1999.

Dave was there behind the microphone in the 1995 season, the "refuse to lose season." It was an exciting time in the Northwest. He called the exciting one-game playoff with the Angels. After the game, many of the fans cheered him as much as they cheered the players.

Dave was also behind the microphone for what is called the "famous double," the most memorable moment in Seattle Mariners sports history. It was the deciding game of the 1995 playoffs against the Yankees, and in the bottom of the 11th inning, Edgar Martinez hit a double that became Dave's favorite call of his entire career, as Ken Griffey, Jr. scored from first base, winning the series.

Once again, I congratulate Dave Niehaus in winning the 2008 Ford C. Frick Award for excellence in baseball broadcasting and his introduction into Cooperstown. Dave's signature call of "my, oh, my," now will join the ranks of Harry Caray's "holy cow," Mel Allen's "going, going, gone" and Vin Scully's "I can't believe it."

Finally I wish to say, because this is a point of personal privilege for me, that I hope somewhere in 2010, I might be standing in this very same spot with the opportunity to congratulate Edgar Martinez in being enshrined in the Hall of Fame.

Edgar's achievements are many: He is a two-time American League batting champion, a seven-time All-Star, a career .312 hitter, including seven consecutive seasons of hitting above .300 from 1995 to 2001. And of the 164 hitters in the Hall of Fame, Edgar's on-base percentage of .418 would rank him 13th.

I say this because in the Northwest, sometimes we do not get all the attention. Being in a different time zone, people do not see all of the accomplishments. But we are here to congratulate Dave Niehaus and hope for the best, that another Seattle Mariner will be added to the ranks of Cooperstown sometime soon.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

NATIONAL DAY OF THE AMERICAN COWBOY

Mr. ENZI. Mr. President, I want to take this moment to remind everybody that today is National Day of the American Cowboy as designated by Congress. I was hoping to be at Cheyenne Frontier Days to make that announcement today, along with my fellow Senator, Mr. BARRASSO, but our votes make that virtually impossible.

There will be a huge celebration there at Cheyenne Frontier Days, which is the daddy of them all, the first rodeo, the biggest rodeo, but at rodeos all over the country and on ranches all across the country, we will be recognizing the hard work and strong ethics of the American cowboy. I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

VOTE EXPLANATION

Mr. CARPER. Mr. President, I was hosting a home ownership fair in Wilmington, DE, that kicked off at 6 o'clock this morning. I ran into construction on I-95, ran into construction on New York Avenue, and arrived right at the end and missed the first vote.

On rollcall vote 186, I ask unanimous consent that the RECORD indicate that had I been present, I would have voted "yes."

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING

Mr. CARPER. The Nation has gone through a housing bubble over the last year or two. Housing values have gone up in a way that are unsustainable. We have now seen the collapse of the bubble. As we eventually move our way toward a stabilizing of housing prices, with this housing legislation to make sure that when we do reach the bottom, prices stabilize, and there is enough confidence on the part of people who are renting houses today, people who would like to be homeowners, that they can move in, they will have a mortgage mechanism that still works, they will have a housing finance operation that still works, and we will be able to get this economy moving again.

The legislation we have adopted provides for stabilizing Fannie Mae and Freddie Mac, makes sure we have a strong independent regulator for them, brings the FHA into the 21st century and streamlines it, provides for housing counselors. It does a whole lot of good things.

I commend everyone who has had a hand in working in that, including the Presiding Officer, and say that I am delighted it has passed and the President is going to sign it into law.

The PRESIDING OFFICER. The Senator from Alaska.

Ms. MURKOWSKI. Mr. President, under the previous unanimous consent order, I believe the Republicans have 30 minutes under our control.

I yield to the Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I thank the Senator from Alaska.

I ask unanimous consent, if it has not been asked already, that we conduct the next 30 minutes as in a colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY

Mr. ALEXANDER. Mr. President, a week ago yesterday the Democratic leader brought to the floor an energy bill. It was limited to speculation. But we welcomed that, we on the Republican side. I think the American people welcomed it, because the most important issue facing our country is \$4 gasoline.

We are sending billions of dollars overseas to people, many of whom are trying to kill us by bankrolling terrorists. We are emptying our pockets to buy gasoline. I have e-mails and letters, as all Senators do—in my case from Tennesseans—from Marines who come home and do not have the money to take a family vacation, and from moms who are losing their jobs because they cannot afford to commute.

So we welcomed the Democratic leader's bringing to the floor a week from yesterday the speculation bill. What we want to do in this 30 minutes is let the American people know what we could have accomplished in this last week if only the Democratic leader would have allowed a full and open debate on gas prices, including proposals to both find more and use less.

You hear a lot of words here on the floor. I couldn't believe what I was hearing a few minutes ago. I thought I must be in the United Nations without translators, because, I mean, what the Democratic leader says he said is not what any of us heard him say.

What we heard him say, when we asked to say: Let us bring up gas prices, let us talk about the real problems, let us talk about speculation, let us talk about supply, let us talk about demand, let us debate, let us vote, we have said: Let's come to some agreement about a number of amendments on each side. Limit them to energy, limit the amount of time, vote on them, see if we can take a serious step toward dealing with \$4 gasoline.

What we have said is we want to find more and use less. Now, why do we say that? Because the whole problem of \$4 gasoline boils down to a couple of things: the expected increased demand for gasoline worldwide, especially in places like China and India where people are becoming richer and driving more cars; and the decreased supply.

The United States can make a significant contribution to both demand and supply. Finding more is the way you deal with supply; using less is the way you deal with demand. So we offered one amendment that 44 senators agreed with that said: Let us do offshore drilling for oil and gas. Now, 85

percent of the area that should be available to offshore drilling is not available because of a congressional law. We said: Let's give States the option to do that.

Secondly, we said: Let's take off the moratorium on oil shale in the western States, and proceed in an environmentally sound way to find more oil. Doing those two things over time, the Department of Interior has said, would increase by one-third United States oil production.

On the other side, we said: Let's use less by making commonplace plug-in electric cars and trucks. We have 240 million cars and trucks in America. We use gasoline to run almost all of them. That comes from oil. If we instead began to use electricity to run those cars and trucks, we could cut in half the amount of oil we import and we could do it without building any new powerplants because we have so much electricity available at night when we are asleep. The powerplants rev down and they have got a lot of unused electricity. So you could literally, with a plug-in electric car, plug it in at night for 60 cents—that is your fill-up—and drive 30 or 40 miles on your electric battery before the gasoline engine kicks in, in your hybrid car.

This is no far-fetched idea. Nissan, General Motors, Ford, Toyota—all will have these cars on the markets. Half of our electric power is unused at night. So we have got the cars coming, we have got the power, all we need is the cord. In the Congress we have substantial agreement across party lines to do that.

We have a variety of other ideas that could help us find more and use less. For example, we would like to make it easier for more nuclear powerplants. But on the other side they say no.

But what we are trying to say is, Mr. Democratic Leader, let us come to the floor and do what we could have been doing for the last 8 days and try to fashion a serious effort at lowering gasoline prices. Start saying yes, we can, instead of no, we cannot.

I see the Senator from Alaska here, who is one of the ranking Senators on the Energy Committee and one of the most knowledgeable on this issue. I would ask her: What do you think we might have accomplished in these last 8 days, and what could we still accomplish?

Ms. MURKOWSKI. I say to my friend, the Senator from Tennessee, in terms of what is out there, the options are enormous. You mentioned a few that are part of our legislation, whether it is the advancement of nuclear or coal to liquids or oil shale or offshore.

One of the issues we in Alaska believe in very strongly, and have great public support, not only in the State but growing across the country, is the recognition, up in an area called ANWR, a section of the North Slope that is very lucrative in terms of reserves, we have an opportunity to provide for this Nation more of a resource it desperately needs.

We need the permission of the Congress to go ahead and allow for that. So we kind of get nailed on the Republican side by our colleagues who say: Well, all you want to do is drill, drill, drill. And ANWR is one example of that.

I remind my colleagues—and perhaps many do not know—I do not know if you actually know as well in terms of what our legislation or what our amendment on opening ANWR would provide in terms of not only the resource, 10.5 billion barrels of oil is the mean estimate, but what we are looking to do then with our amendment is not take those revenues that come to the Federal Treasury, put them in the black hole of the Treasury, but we want to direct those toward the development of renewable resources, for solar power and wind. Eighteen billion dollars could be directed toward the advancements of those areas.

Carbon capture and storage technology, \$30 billion could be directed in that area; \$50 billion for cellulosic biofuels; \$15 billion for smart grid electrical technology. What we are doing is, we are taking a resource that we desperately need, using those revenues to direct them to the next generation of energy technology that will allow for a level of independence for this Nation. We know we can't get from where we are now to where we need to be with renewables only by wishful thinking. It is going to take a strong economy and revenues. Let's help with the revenues from a resource like ANWR. Let's stop sending overseas, to countries that are not our friends today and will likely not be our friends in the future, let's stop sending this incredible transfer of wealth. Let's try to do more here and build in a direction where we have technologies working for us for the future energy needs of this country.

We have not been given the opportunity to advance such an amendment. That is unfortunate for us, unfortunate that we are not having a full-fledged debate, and unfortunate for the people who have been denied this resource for some 30 years.

We opened it. We passed legislation once through the Congress, and it was vetoed 10 years ago by President Clinton. If he had not vetoed that, we would be seeing a million barrels a day coming into this country from the north. We want to be able to provide that.

Mr. ALEXANDER. I thank the Senator. I see the Senator from South Dakota. No one more vigorously advocates for the type alternative energy that the Senator from Alaska was talking about funding research for. The Senator from Alaska talked about the importance of research for advanced biofuels such as cellulosic ethanol. I have heard you talk about that before. It is a very promising area in addition to the ethanol we already produce.

Mr. THUNE. The Senator has correctly identified the problem. We use too much energy, and we don't produce enough. The solution to that problem

is to find more and use less. That is exactly what we want to be discussing in the Senate, how do we increase supply and reduce demand in a way that will help lower fuel prices for Americans who are feeling the brunt of rising gasoline prices and rising oil prices.

As the Senator from Tennessee noted, we have had great success in my State with biofuels. We are going to eclipse the 1 billion gallon mark this year in terms of ethanol production. If you couple that with next generation biofuels, cellulosic ethanol, there is enormous promise and potential for us to lessen our dangerous dependence upon foreign sources of energy by converting to biofuels. But having said that, I am for ANWR. I have voted for ANWR. I have actually been to ANWR with the Senator from Alaska. I am absolutely convinced that we ought to be accessing the incredible reserves we have there that could lessen our dependence on foreign energy.

I am for more domestic supply, whether it is oil and gas, biofuels, nuclear, coal to liquid, oil shale. There are a lot of good options, none of which we are having an opportunity to talk about in the Senate because the Democratic leader has decided that no amendments are going to be allowed.

We are stuck in the Senate on a Saturday. The American people are crying out for a solution to a big problem. Big problems require leadership. We are not providing leadership. We are not doing what the Senate should be doing, and that is working its will for the American people. The people I represent deserve a vote. They deserve a vote on energy issues that are important to South Dakota, as do the people in Alaska, Tennessee, Wyoming, New Mexico, and Utah, constituents of the Senators who are here in the Chamber now and want to see this issue debated. They want to see solutions. The only way we will get to a solution is by allowing an open process where we can debate finding more and using less. I am for all the things I have just mentioned.

In the energy debate we had in the summer of 2005, we actually adopted 57 amendments. We stayed on the bill for 10 days. We had a full-throated debate on energy. In 2007, we debated energy again. We adopted 49 amendments, and we spent 15 days on the floor talking about it. But we had an opportunity to discuss amendments that would do something about the energy crisis. What we have instead now is a Democratic leadership that has drawn a line in the sand and said: We will not vote on any of these things. We will not debate any of these things. You take our way or the highway.

Their way does nothing to add to our energy supply or to reduce dependence upon foreign sources. I appreciate the leadership of the Senator from Tennessee. I, along with him and my colleagues, urge the Democratic leadership to open the process and give us a fair opportunity to debate amendments

and find meaningful solutions to America's serious energy problems.

Mr. DOMENICI. Before the Senator sits down, might I ask a question.

Mr. ALEXANDER. How much time do we have remaining?

The PRESIDING OFFICER. There is 16 minutes.

Mr. ALEXANDER. Would the Chair please let me know when 5 minutes remains.

Mr. DOMENICI. I wanted to ask the Senator from South Dakota about his speech. You just got finished telling the American people what you would like to do on the bill, if that bill were present now and we were debating it, the bill they have been talking about, the speculation bill. You have been saying this is what you would do. A little while ago, the majority leader told the American people: You all could offer amendments on nuclear, on offshore. It seems to me he said that, and you are talking as if that is wrong, that we couldn't offer amendments.

Could you explain why you feel the way you do and why it would appear that what he said is not true when compared with the way you are reacting? You are a good Senator. The way you are reacting, it seems as if what the majority leader said is untrue.

Mr. THUNE. With respect to what the Senator from Nevada said earlier today, indicating that we had an opportunity to offer amendments, that is flatly not the case. He has filled the amendment tree, which in Washington parlance means he has essentially prevented or blocked other Members from offering amendments. We are paralyzed because we can't have the debate we need to on all the amendments and solutions that Members are here to offer, all of which would add to the debate and most of which would actually address the fundamental problem the Senator from Tennessee has identified. We don't produce enough energy in this country, and we use too much. We need to find more and use less.

Mr. ALEXANDER. The Senator from Utah is here. He has served in the Senate for a while. We only have about 10 more minutes, and several colleagues are here who would like to speak. Doesn't the Senator from Utah think it is a great disappointment that we have not been able, instead of just talking about gas prices, to do something about gas prices? Can he help some of us who have been here a little less longer in the Senate understand how that could have happened?

Mr. BENNETT. I say to the Senator from Tennessee, the one thing we should remember about markets is that markets hate uncertainty. Whenever markets are not certain as to what is going to happen, the price of commodities always goes up because people want those commodities. They want to hold them, and they are afraid, in an area of uncertainty, that they might not be able to get them, so they will bid the price up.

Our inability to bring certainty to the energy debate by virtue of the par-

liamentary maneuvers that have occurred contributes to the high price of gasoline. An airline, a truck line, an energy company dealing with gasoline at the pump has to have gasoline, diesel fuel, jet fuel, or they will be unable to function. When they cannot see any end to the present uncertainty of world supply, that is when they bid for long-term contracts. As they bid for the long-term contracts, others who say, we are not sure what is going to happen in the housing market or what is going to happen in the stock market, the one place where we are sure the price is going to go up is oil. They will come in and bid for the futures as well.

We have had a bill on the floor that tries to deal with speculation as if it were a mystery. Speculation is not a mystery. The word "speculator," as Bernard Baruch said, comes from the Latin phrase "speculari," to observe. A speculator is one who observes what is going on and tries to make sense out of it.

If we could say to the world market, we are serious about looking at oil shale, we are serious about looking at the Outer Continental Shelf, we are serious about doing things with respect to American automobile usage of oil, that would bring a degree of certainty to the marketplace. People would say: I don't need to buy that long-term oil contract because now there is a path of certainty that will mean prices will be stable. As prices become stable, they begin to come down. That is what we are trying to do. The parliamentary maneuvers entered into prevent us from bringing that certainty to the market and contribute to the constantly rising price of oil.

Mr. ALEXANDER. I thank the Senator.

The Senator from Wyoming is here. He has been actively involved in a variety of energy issues and a member of the Energy Committee. He has been an active participant in the energy debate in this Chamber. Has the Senator not heard the Republican leader repeatedly say to the Democratic leader: We are ready to talk about supply and demand. We are ready to deal with, say, seven amendments from the Republican side and seven from the Democratic side and to vote on them and to have a time limited debate, and our whole purpose is a serious purpose to try to get a result; so can we not do that? Has he not heard that time and time again. And, if so, why does he suppose we are not doing that?

Mr. BARRASSO. I have heard it time and time again. We are ready to vote and to offer amendments. Clearly, we need to deal with this issue of supply and demand. We need to find more and use less. The people of Wyoming get it. The people of my neighbors to the east in South Dakota know it. The people from Utah understand it completely. The people at home get it.

There is a story in the Wall Street Journal from Thursday, "Want to See Inflation Pressures? Try Wyoming."

People drive great distances in these Western States, but they are also paying not just the price at the pump but also at the grocery store when they have to buy things shipped in because of transportation costs. They say: Hey, you are sending all of this money overseas to foreign countries, people who are not our friends. We need to be energy self-sufficient. We need to do it at home, which is exactly what we are trying to do with these seven amendments. Wyoming is an energy State—oil, natural gas, uranium for nuclear, and coal. The technology now with coal is there for clean coal technology, coal to liquids. That is energy that can be used for our military airplanes.

Mr. ALEXANDER. Is it not true that one of the leading environmental groups has said that if we can find a way to capture carbon from coal plants, that is the best long-term solution to climate change?

Mr. BARRASSO. They have said that because it is the most available, affordable, secure, reliable source of energy we have. We have enough coal to last this country hundreds of years. We have ways to capture the carbon and pump it into the ground of old oil wells and get more oil and leave some of the carbon down below.

Mr. ALEXANDER. I assume that during the last 8 days, instead of just debating or speaking in languages that we don't seem to understand from each side, we could have actually considered an amendment to have aggressive research in carbon capture to accelerate the possibility that we could deal with climate change, clean air, energy independence, and have plenty more electricity for plug-in cars and trucks that everyone seems to favor.

Mr. BARRASSO. And we could do it all with an environmental safety net. The opportunity has been blocked step by step.

Mr. ALEXANDER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. ALEXANDER. I see the Senator from Tennessee, a member of the Energy Committee. He is one of the newer Members of the Senate. He has his feet pretty firmly on the ground. I am sure he is here to try to accomplish something. I wondered if he has any reflection about these last 8 days and our ability to try to deal with the No. 1 issue facing the American people, \$4 gasoline.

Mr. CORKER. The senior Senator from Tennessee provides tremendous leadership and certainly has done that on the issue of energy. He has spent time on the Energy Committee and knows of the great things happening in the State of Tennessee in this regard. What I would say to the Senator from Tennessee, someone who is a great friend, I worked hard to come to this body. You saw the tremendous effort I put in place to come to this body.

This is the biggest issue the American people are dealing with today. I

did a townhall meeting the other night on the phone, which had about 1,200 people, and almost every question people called in about was: Are we going to do anything as it relates to energy? So I know this is a major issue. I know it affects people.

I go into retail stores, for instance, where somebody is working behind the counter, and I know they are not making a very high wage. They tell me: Please, is there something you can do to solve this problem? In my family, we are having to make decisions I thought we would never have to make, and I am concerned about what is going to happen this winter.

So, yes, to get back to the Senator and sharing reflections, it is hard for me to believe we have a body of 100 adults, we have the biggest issue our country is dealing with, and one Senator—one Senator—has decided no one can offer amendments. I think it is a lack of responsibility to the American people. I do feel remiss that you and I both are not able to represent the people of Tennessee to do something they know makes sense; and that is, produce more and use less.

I thank the Senator for this time.

Mr. ALEXANDER. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Senator from Tennessee has 5 minutes.

Mr. ALEXANDER. Thank you, Mr. President.

Mr. President, Senator DOMENICI from New Mexico has served in the Senate for 36 years. He is the ranking member on the Energy Committee. I ask him, can you help us understand why, with so many Senators willing today—and for the last 8 days—to deal with this issue, we are not dealing with it? And why the Democratic leader seems to be determined to avoid doing any single thing that would produce more American energy?

Mr. DOMENICI. Well, Mr. President, let me say to my good friend from Tennessee, first, what a pleasure it is to serve with him. I am sorry we have not served together the last 2 years on the Energy Committee because the Senator moved—after we got the big Energy bill through, and to his State's benefit—to the Appropriations Committee. I still get to work with the Senator there.

I say to the Senator, let's see if we can put it into focus. American people, I hope you have been watching for about 30 minutes or 40. Because if you go back about 40 minutes or 45 minutes, you will see somebody standing over there. His name is HARRY REID. He is from Nevada. He is the majority leader.

You would have heard him say: Well, I have offered to you that you could have offered an amendment for the offshore. You could have offered an amendment for nuclear. He went on through five or six. You could have offered them, but you didn't.

Isn't it strange that he stands there and tells the American people and the

Senate that, and here, today, there are five Senators talking with you, all who, it seems to me, have good brains, who seem to be interested in their State and our country. What are they saying? They are saying: We wish we could offer an amendment. So that means they could not. Right?

I will tell you, here is how I approach it. I am going to look at the Parliamentarian and say to the Parliamentarian: You might know, Mr. Parliamentarian, because I asked. I will tell you, and I hope you will accept what I say is true. The Parliamentarian has told me the two amendments Majority Leader REID put on the so-called speculation bill—he added them to it to fill the tree—are called amendments Nos. 5098 and 5099.

So, Mr. Parliamentarian, let's assume we are talking about the so-called speculation bill. Let's further assume—because it is true—there are two amendments that have been offered to it, amendments Nos. 5098 and 5099.

With that, I will ask: Is it in order for the Senators from Tennessee—either of them—or the Senator from New Mexico, with that situation, to offer an amendment that would permit the opening of the offshore resources of America? Would that amendment be in order?

The PRESIDING OFFICER. All slots are filled and the amendment would not be in order.

Mr. DOMENICI. Mr. President, I say to the Senator, you asked me, could I help you. I think I have helped you, right there. I think I have helped those who are listening.

Mr. ALEXANDER. Mr. President, I ask the Senator, what about the amendment by Senator DOMENICI to make it easier to build five or six nuclear plants a year, so we could have more clean energy; would that be in order?

Mr. DOMENICI. Mr. President, I say to the Senator, that amendment would not be in order.

Mr. ALEXANDER. Why would it not be in order?

Mr. DOMENICI. Because in the Senate, we run on parliamentary rules. There is a rule that if an amendment has been filled, the tree has been filled, you cannot offer any more.

Now, we have a majority leader who has used that rule more than any other leader in the history of America. That means he has offered two amendments to an amendment so you could not offer any other amendments. That is the way he runs the Senate. He does it not only to us, he does it to everybody because he does not want to have a vote on what you want, which you have so eloquently spoken to, or what the Senator from Alaska wants or what I would like. He does not want any of those. Why? Because maybe he will lose and maybe we will open this big parcel of land to the American people, open it so we can use it.

Somehow or other, Democrats do not want more energy. I do not know why.

It is incredible to me that with the American people clamoring for it, they do not want it. But they have a leader who is acting so no amendments can be offered. He stands and tells the American people any amendment they want can be offered.

Frankly, I tell you, you can put those things up beside each other, and one is true and one is not true. I think I have established the reality that if I wanted to offer any amendments he was talking about, they would be out of order.

I have lived in the Senate for 36 years. I have never had a Senate such as this. This Senate is run by one person. It is worse than the House Rules Committee. The House Rules Committee establishes the rules by which you work. But we do not have that. We have one person. He decides because he is entitled to the floor, he offers two amendments, and that equals a denial of the rights for either Republicans or Democrats to offer an amendment. That is where we are.

Look at the good we could have done. Look at the issues we could have resolved. Look at what we could have told the American people: We have opened your property which contains billions of barrels of oil and God knows how many trillion cubic feet of natural gas. It is going to be open so we can use it. Well, we cannot tell them that. It is kind of strange, but I think it is true.

I am very glad you asked me to explain it. I am glad we have the number. Maybe next week we can ask the majority leader, when he is here, if he would withdraw those two amendments so we could have amendments. I think if he were here, I would ask him that. I would ask him: How about a unanimous consent agreement, Mr. Leader, that we will remove your two amendments. They stand in the way of all our amendments. How about removing them? I would get some mumbo jumbo, and he would say he wants to leave them there.

I thank the Senator.

The PRESIDING OFFICER. The time has expired.

Mr. ALEXANDER. I thank the Presiding Officer.

Mr. President, I thank my colleagues.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I say to Senator DOMENICI, thank you so much for clarifying this. It is like we are hearing two different conversations utterly unconnected to one another. But I notice Senator MCCONNELL, the Republican leader, had offered a consent request. He offered and asked that we be allowed to offer seven amendments—just seven amendments. There was some confusion about it. But did you hear what the majority leader said to that offer?

Mr. DOMENICI. I did. Surely, I did.

Mr. SESSIONS. What did he say? And what power did he have to carry out what he said?

Mr. DOMENICI. He said no. And he had the power to do it because, I told

you, if our leader would have taken any one of those seven—say, he would have given you one of them and said to the distinguished Senator from Alabama: Why don't you offer this one? If you would have offered it, somebody would have said that meant that amendment is out of order, and the Parliamentarian would have said that is out of order. You cannot offer amendments because those two amendments have been offered to fill the tree. That is a nice word. We have to understand it.

What he has done is put those up there, which equals no one has a right to offer an amendment: I have done it. I have had all the amendments that this institution is going to have. I have the right to, says the leader. I put them. That is the end of the amendments.

Mr. SESSIONS. Mr. President, I think that is a sad event.

I ask the Senator, would you not say that this body we take so much pride in as being the greatest deliberative body in the world—maybe in the history of the world—on an issue that is as important to the family budget and the entire Nation's economy that is shaky now because of surges in gas prices—isn't it bad policy—I say to Senator DOMENICI, you have been here 36 years, you have chaired the Energy Committee, you have written energy bills that have made the country better. Isn't it critically important right now for America that we start talking about and debating openly, not trying to manipulate it but openly to see what we can do to produce more and use less energy?

Mr. DOMENICI. Mr. President, I believe it is absolutely what our distinguished chairman of our conference—who is on the floor, who was the leader of the colloquy that took place—has so eloquently said. It is right here in our hands that offshore contains more oil and gas than any other property of the United States, and it not only should be the subject matter of debate but there should be an amendment offered and we should vote on it and say yes or no to opening it for drilling.

Can you imagine how happy the American people, who have followed this issue, would be if one of these mornings they could read: Senate votes on offshore drilling and says yes. I do not know why the Democrats do not want to do that. I would think they would be in favor of it because most Americans are. So I do not know where they are getting the messages.

But you cannot stand here any longer, after what we have established today, and say you can vote on any of these. Somebody is going to be here with the name of these amendments, and anytime he says that, we are going to ask: Can we remove these two amendments that stand in the way of us doing that? I don't know what his excuse is going to be, but there will have to be one. Right?

Mr. SESSIONS. Mr. President, I will ask this too.

I say to the Senator, you have watched this so closely, and we have the question of oil shale in the West.

Mr. DOMENICI. Yes.

Mr. SESSIONS. Two years ago, when your Energy bill passed, we had an opportunity to begin to see if we could make that be successful. I think we can. We had testimony in the Energy Committee that indicated it would come in below the world price of oil.

Mr. DOMENICI. Oh, yes.

Mr. SESSIONS. But what happened? Wasn't it when the Democrats got the majority in the Congress, Speaker PELOSI put in language that barred any utilization of Federal lands to produce oil from shale?

Mr. DOMENICI. Well, actually, when we did our big Energy bill—that is when the good Senator from Tennessee was on our committee—one of the things we wrote in—it went by rather easily, nobody knew it; I knew it because I worked on it and I put it in there—we decided that the Bureau of Land Management property up there in those three States belongs to the Government—that property. So it belongs to the people. There was not any provision to let the leases out so they could use it for research on how to develop it. We permitted that in our bill.

Sure enough, it worked. Within 6 months after the bill was passed, there was interest. The interest was evidenced by one of the major companies taking out a lease. They wanted to spend \$4 billion developing a technology. They were ready to move and see if it was going to work. Well, that is a lot of money, and it means that is going to take a lot of money.

Well, you know what happened. Similar to all these other things around here, in the dead of night, on the Interior appropriations bill, an amendment was put on, a rider, you call it. It said: You cannot proceed to write the final regulations for the research and development—not for the production—for the research and development so people will know what they are getting into and what they can spend money on.

They passed that at night, put it on there. We know where it came from. It came from those who want no development in the State of Colorado. And there we are, similar to all these other amendments that have been put on that take away property rights from our American people. That was done there. We are asking that be lifted. We have an amendment to do that. We cannot vote on it. Right?

Mr. SESSIONS. But it was a very recent act in the Interior appropriations bill, not fully debated anywhere.

Mr. DOMENICI. Nowhere.

Mr. SESSIONS. Slipped in, as we say, in the dead of night. It reversed the option to going forward and basically denied the Interior Department the ability to write the regulations that would allow it to go forward.

Mr. DOMENICI. Yes. Whenever I talked about the regulations, I want to clarify that the first commercial rigs

couldn't be developed because of what they did.

Senator, I just wish to say before I sit down—and I am ready to—how pleased I am that you are going to stay after I leave and apparently stay on the Energy Committee and apparently work on something very dear to my heart: nuclear energy. I worked for 8 to 10 years on that, with marvelous staff help. I think we had a lot to do with going from no nuclear power in America to a very live activity where many companies are standing in line to offer their licenses at the Nuclear Regulatory Commission to produce nuclear power.

We need to finish with a recycling provision. I understand you are interested in that and you will probably work on that in the years to come, and I commend you. I will be gone.

I think my good friend from Tennessee who is here knows we have to do recycling, the second phase of this activity. Right in his State, we have taken the lead. TVA has taken the lead in nuclear power because they were ready, and before anybody else they were building one, building a half one, turning it into a whole, and that has been a tremendous experience for the nuclear industry. He is to be praised because that happened with people being heard and all and with no serious complaints, and it is on its way, just like the rest of them. They are going to build them right next door to existing ones, and that is going to be a pretty good approach. Remember that when you start working at it, they are not building them in new places, they are building right next door to ones that have been there for 30 years. People say: Of course, build another one. You might hear some anti's, but they are not anti's around the existing plants because it has been nothing but good, and you will find that when you start to take the lead in that.

I want to say I think the time is up for me, and if it isn't, whatever it is up here tells me I am about finished for the day. I am. I do want to say to both of you that it has been tremendous to talk here today. I think, somehow or another, we have made the point that there just cannot be one set of truths for the Democrats, one set of truths that apply to the majority leader, and another set of truths that apply to us. It is either true or its not true, and the issue of whether we have been able to offer amendments in the true way, to amend them and to debate them, to be amended themselves, whether we have been in that position is clear, clear, clear as the clearest water on Earth, it is that clear that we have not been able to because it has been denied to us.

Anybody standing up saying: You could have offered amendments—how could we? I don't know how we can. Maybe next week we can offer six or eight or more. Senator, maybe you can stand up and offer them and let the Parliamentarian say they are not in order; say, why not; and we will get the

answer. Maybe somebody who put those two amendments on there to close everything up, maybe they would consider taking them off. I mean, if he says you can have an amendment, well, can we have an amendment by taking down your two amendments and then we will have our amendment? I am sure the answer would be no. Why wouldn't it be? Because they don't want you to offer an amendment, right? That must be it.

I yield the floor.

Thank you, Mr. President. I thank the Senator for giving me time.

MR. SESSIONS. Mr. President, do we have a time agreement now?

THE PRESIDING OFFICER. There is no time agreement in effect.

LIHEAP

MR. SESSIONS. Mr. President, I would just say what an honor it has been to serve with Senator DOMENICI. There is no more effective advocate, no more courageous Senator in terms of speaking the truth about complex matters in words that Americans can understand, and no stronger Senator in committing to a sound economic policy than Senator DOMENICI. We are going to miss him in this body, there is no doubt about it.

I wish to briefly share a few thoughts about the LIHEAP legislation that was offered.

First, I would note that the Democratic leadership has proposed two pieces of legislation at this point in time over the last few weeks that would deal with energy. One is speculation, which I am open to in seeing what we can do to tighten that up, but it produces not one barrel of energy. They also tried to move today a \$2.5 billion energy subsidy to subsidize the purchase of fuel oil for people in America, and they want to spend it. There is no money whatsoever to pay for it, so it is going to be treated as an emergency, adding to the debt this Nation already has. I would just suggest that if you are looking at sound energy policy, it seems to me that Senator ALEXANDER has it right: We should find more and use less.

I would suggest it is crystal clear that the LIHEAP legislation that is designed to use \$2.5 billion of the taxpayers' money—actually, money we don't have because we are already in debt—to subsidize the utilization of more energy—really some of the dirtiest energy we have in America; burning dirty fuel oil in private home furnaces—that is not consistent with a sound energy policy.

So I reject the LIHEAP bill first and foremost because it is unpaid for, it adds another \$2.5 billion to the national debt, and it is on top of an already \$2.5 billion LIHEAP piece of legislation. This is not good leadership from the Democratic side on matters important to America.

You remember the dispute we had over automobile gasoline. The prices

went up, and some suggested we should cut the tax. We said no, that is not good policy. Why would you want to encourage the utilization of more gasoline by cutting this tax? It is just not good policy.

We need to do something fundamental about energy. It is an even worse policy to tax the American people or add debt to our grandchildren to subsidize the utilization of some of the Nation's most dirty energy.

The very people from that area of the country—the Northeast primarily—are the ones who have consistently objected to the production of more energy. Time and time—I have been here 12 years, almost. I know where the votes have come from. The very people pushing for this subsidy to burn more dirty fuel oil are the people who had objected and successfully blocked attempts to produce more, cleaner energy in America, and it is not good.

We need to talk about this. We need to get serious about America's energy policy. I know my fine colleague, the great advocate from Vermont, tried to argue that this is a fair allocation of money and that it is not regionally biased in favor of Vermont or some of our Northeastern States, that it helps rural Southern States with air-conditioning. Well, I am just looking at the numbers in the bills. I have the numbers State by State right here. In Vermont, they have one Congressman. They got \$17 million. I guess that is less than—\$17 million under this program. Alabama, with seven Congressmen—seven times the population—got a total of \$18 million.

Look, this is a gimmick. It is a transfer of wealth to a certain group of people for political reasons, and we are going to send the debt to our grandchildren. It is not good policy.

We ought not to go to the LIHEAP bill because we need to be talking about how to produce more energy. If we produce more energy and we produce cleaner alternative energy sources, if we build nuclear plants that some of these same people have opposed, if we were building another 100 nuclear plants instead of the 100 we have—and we haven't built one in 30 years—if we had been building them the way France has, where 80 percent of their energy is from nuclear power, we wouldn't be in the crisis we are in today, but they blocked that. So I just protest a little bit. Count me as saying no on that question.

I see some of my other colleagues are here, and I yield the floor at this time.

THE PRESIDING OFFICER. The Senator from Tennessee is recognized.

UNANIMOUS CONSENT REQUEST— S. 3268

MR. ALEXANDER. Mr. President, I thank the Senator from Alabama. The Senator from Oklahoma wishes to speak, but before that, I would like to make a unanimous consent request.

The majority leader said we could offer amendments on energy that dealt

with gas prices. We said we hadn't heard that to be the case for the last 8 days, but we are eager to do that. So I would like to renew, once again, the unanimous consent request that would establish a way in which this Senate on Monday could take up \$4-a-gallon gasoline, with amendments on each side of the aisle and debate them with a limited time agreement and try to come to a result on both the issues of more supply and less demand.

I ask unanimous consent that the Senate consider the pending energy speculation measure in the following manner: that the bill be subject to energy-related amendments only; provided further that the amendments be considered in an alternating manner between the two sides of the aisle.

I further ask consent that the bill remain the pending business to the exclusion of all other business other than privileged matters or items that are agreed to jointly by the two leaders.

I further ask consent that the first seven amendments to be offered on this side of the aisle by the Republican leader or his designee be the following: Outer Continental Shelf exploration plus plug-in hybrid cars; No. 2, oil shale plus conservation; No. 3, Alaska energy production plus conservation; No. 4, the Gas Price Reduction Act; No. 5, the clean nuclear energy amendment; No. 6, the coal-to-liquid energy amendment for military aviation fuel, plus the conservation provisions in that amendment; and No. 7, LIHEAP.

THE PRESIDING OFFICER. In my capacity as a Senator from Pennsylvania, I object.

MR. ALEXANDER. Thank you, Mr. President.

THE PRESIDING OFFICER. The Senator from Oklahoma is recognized.

SENATE PROCEDURE

MR. COBURN. Mr. President, I wanted to spend a few minutes. I have been a Senator for almost 4 years. I think my life experiences I bring to the body are somewhat different than a lot of others. I have some observations on what is happening to us. I hope the American people will pay attention because this week the Senate has failed—miserably failed. We just passed a housing bill that fixes only short-term problems and doesn't fix the long-term problems associated with housing and Fannie Mae and Freddie Mac. We just did that because we are in a crisis. You have to do it. The Secretary of the Treasury came to the Presiding Officer's conference, he came to ours, and he talked about why this is important for them to have the flexibility to establish confidence in the mortgage markets. We had a great opportunity to not only address that confidence and make sure it was there so people have the proper expectations that they can get a mortgage—and a reasonable one—but we did other things that failed to fix the ultimate problem.

As you play out this bill, if you look at the negative long-run end of it, the

American taxpayers have the potential to be on the hook for \$3.9 trillion. There are some Fannie Mae and Freddie Mac reforms in there. This body has known for 15 years they needed to be there. We didn't do anything about putting those reforms in there until it became a crisis.

The point I am making is, why are we waiting for crises? Once the crises get here, why do we bend to the political wills of the short term rather than address the long-term structural problems that are out there?

So there is no question we have helped a lot of people with the bill we passed, but you have to ask the question, What is this going to do to everybody else who pays their mortgage and anybody who wants to get a mortgage in the future and continues to keep their commitments? What we have done is raise the interest rates. We have raised the cost on anybody who purchases a home in this country for the next 15 years.

What else have we done? We have put \$3.9 billion out in CDBG funds to buy homes that have already been foreclosed from the banks—from the banks—the very people who created part of this mess we just bailed out with \$3.9 billion of our grandchildren's money.

So here we go, we are saying we are fixing the problem, but we are working on it only when it is in crisis. Then, when we have the political momentum to do what is right and fix the long term and the short term, what do we do? We run because we are more interested in our political futures, in our political careers than we are the opportunities and potential employment opportunities and lifestyles for our children and grandchildren.

Just as my colleagues have been talking about energy, the Senator from Tennessee very well knows that the time to address the problems we are talking about right now in terms of more production was 15 years ago. Now the Senate sits stuck because we are worried about the political fallout of perhaps having amendments to drill where the oil is and that might not fit one political party's agenda. But I will tell you what, it fits the American people's agenda. So we have this debate and this division that is becoming partisan. It is all on the basis of how do we look good in November. I want to tell you, none of us look good to the American people, because we are not fixing the problems on a timely basis. We are not allowing the historical precedents of this body, which is debate and amendments, to mold and create legislation that adequately reflects the risks and problems that future generations are going to encounter.

We are working on energy here, and the big cloud hanging over the room that nobody wants to talk about is carbon and global warming. Let's take a minute and say I am wrong and that global warming and carbon is a tremendous problem for this country. Ev-

erybody who believes that—and I don't dishonor their belief—knows if we started today doing everything we could do, it will take us 30 years to get off of carbon-based fuels. Everybody agrees with that. What are we going to do between now and the next 30 years? How are we going to address the problem?

This year, American taxpayers sent \$700 billion of their money—a large portion of it—to countries that would like to see us done in. We are going to continue to do that until such time as we have a cogent energy policy, regardless of global warming or carbon problems. It is at least going to take 30 years. So we ought to take that out of the realm and say: How do we quit giving away our fortune, our future, and our assets to other people? Even if we all agreed on global warming, we can all agree it will take a long time to transition away from carbon-based fuels. Why would we not have a debate on every possible way in which we can find more American energy, American resources, American security, and use less foreign resources?

I noted on the floor on Monday that our national security is at extreme risk today. There is a historical precedent. When the Egyptians took over the Suez Canal, the British and French had a great amount of debt. We owned most of it. We were adamantly opposed to them attacking Egypt to bring back the Suez Canal under their control. We didn't fire the first shot against the French and English. Do you know what we told them? We said: If you do this, we are going to put your debt onto the market. We will wreck your economy. We will create inflation and create a decreased standard of living. So you dare not do this. Do you know what. They knew it would happen and that we would do that. Consequently, a war was averted.

Think now, with China owning a trillion dollars of our debt, and another trillion dollars in the Middle East. What happens if they don't like our foreign policy and they decide to dump our debt onto the market? How much national security do we have?

So the debate about energy is not just about the \$2,400 that is killing every American family, which represents the amount of money they are paying additionally this year that they didn't have to pay last year for energy. It is making them make choices they have never had to make before, making them make sacrifices they have never had to make before; and it is because of us, because we failed them, because we didn't solve this problem 15 years ago. But it also puts at risk the security—not just financial but the national security and freedom and liberty for them, their children, and the generations that follow.

So the idea that we would not utilize every potential resource America has to solve this energy crisis, the fact we will not be allowed and are not allowed to have a true debate with true amend-

ments that bring that forth to the American public, says we are highly dysfunctional, and that it is all about the next election, and it is never about the good and long-term interests of the country.

That has to stop in this body. It has to stop. It doesn't matter if it is a Democrat or a Republican. It has to stop for future generations of this country. We need to quit worrying about whether we get reelected and start working on what is in the best long-term interests of this country.

Finally, I want to make a comment about this. The majority leader filed cloture on a motion to proceed to a bill he calls—I don't remember what it is called. It is 8 percent of the bills we have passed by unanimous consent, which he wrapped up into one bill, and on which he is not going to allow amendments. Again, it is the same procedure. We are going to grow the Government, create 36 new programs, and spend \$11.3 billion. We are going to do that without the ability to amend those bills.

Half of those bills, I agree, we ought to do. What I don't agree with—which is part of the problem in terms of our future—is we should not get rid of the waste in the rest of the Federal Government so we are able to pay to do good things. Documented by the GAO, the Congressional Research Service, the various inspectors general, and the Congressional Budget Office is that we have \$300 billion worth of waste or fraud in the Federal Government every year. Now we are going to put a bill on the floor that is going to grow the Government more, and not one of them attacks any of that waste.

That is wrong procedurally, but let me tell you what is really wrong with it. It ignores the very process every family in this country has to go through. If they want to do something new, they don't have the ability to charge it to somebody else. They have to make a discernible, very careful calculation about what their priorities are, and they have to decide what they are going to give up if they are going to do something new. It is amazing to me that this body is so averse to getting rid of waste. I understand it, and I know what it is about. Politicians are averse to offending anybody. What we better have is politicians who are willing to offend this generation so that the next two generations can inhabit and receive and welcome the liberty our Founders intended for us to have.

So we are going to have \$11 billion on the floor sometime next week, and we are going to talk about subhuman primate transfer and the War of 1812 Commission, but we are not going to work to solve the energy problems of the people in this country. We are going to talk about doing things the CDC and the NIH already have the power to do, but it doesn't look good because we cannot have a press release or press conference and say we didn't do something for a lobbyist's special interest.

We are not going to create nuclear generation or go after the oil shale, and we are not going to go off the coast to find, in an environmentally friendly way, resources that will lessen that \$700 billion of our Treasury we ship out of the country every year. Instead, we are going to do things that politically look good. If you oppose them, you might politically look bad. But we are not going to address the real issues in front of the country, as a whole.

It is an amazement to me that when the figures were released, they reflected 9 percent of the people have confidence in the Senate. I wonder where those people are. If they are paying attention to this place, they could not have any confidence in it, because we are not addressing the real issues that are, in fact, impacting America today, American families today but, more importantly, national security today and tomorrow, and the wealth, health, and well-being of future generations.

When I heard the majority leader today say he had, in fact, made an offer to where we could offer amendments of any type on the Energy bill, I felt sorry for him, because what happened is he put himself in a hole because of politics. You see, there is a group of people in this country—and they are in the minority now—who don't think we ought to drill anywhere; that we should not explore on land or off land; that we should not use coal at all, even if we can do it cleanly; and that we should not expand wind or solar. And to address that political component, the majority leader has put himself in a box. He won't be hurt by it. He has the toughest job in this body, so my hat is off to him because it is difficult. Who is going to be hurt is every American. Every American. The stubborn resistance to not allow amendments to allow us to get rid of this \$700 billion we are paying out, to create a transformed platform where we can become at least somewhat more energy independent, that we, in fact, lower the risk for our national security through some increased energy independence, is a tragedy we will all pay a great deal for.

It is time for a rethink in this country. It is time for a rethink in this body. It is time for the partisanship to go out. It is time to think not about our next election, not about who is going to be President, not how you position a political party, but how in fact you do the work the American people need us to do to secure their future, and do it in a way that says I am willing to give up my Senate seat to do what is best for this country in the long run. Anything less than that from us is cowardice.

I will paraphrase Martin Luther King, when he talked about how people make decisions. He said vanity asks the question, "Is it popular?" Cowardice asks the question, "Is it expedient?" But conscience asks the question, "Is it right?"

We are asking the wrong questions in this body. We are putting the wrong questions before the American people. We need to get back to conscience—not expediency, not vanity, and not popularity. We need to be about the country's business. My great regret is we are about politicians' business and not about this country's business.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. CARDIN). The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I express my deep appreciation to Senator COBURN. I believe that is one of the most important speeches I have heard in the 12 years I have been in this Senate. We are going to have a test. This body will be tested in the days to come, it appears, because some Members who run the railroad are unhappy that one Member of this Senate—the hardest working Member of the Senate and one of the most intelligent Members of the Senate and one of the most principled Members of the Senate—has an odd view about legislation.

Senator COBURN believes we ought to read legislation and, if there is something wrong with it, before we pass it, we should try to fix it. He believes we are spending too much money—and we are.

I will note that, according to the conservative way of figuring debt, last year our deficit was \$177 billion. Already this year, we have done a \$150 billion stimulus package. We have done other things. The economy is slowing down. Our deficit this fiscal year, ending September 30, is likely to be \$450 billion, maybe \$500 billion. If you figure it another way, it can be another \$150 billion more.

So isn't it good that we have a Senator who will stand up here and fight to try to contain the recklessness we have ongoing in this body? He would actually read legislation and spot the weaknesses because I have watched him. I don't know how he possibly has the time to do all that he does. And it is for America.

One of the oddest things about this body I have observed—and I have been one, on occasion, to hold legislation also and object to certain parts in it. I am sure Senator COBURN has seen this. If you object to something because it adversely affects Oklahoma or Alabama or Tennessee, some special interest in your State, why, that is fine. That is quite acceptable. Every Senator has to protect their own special interest in their State. That is why you are here. But if you actually protest a piece of legislation because it is bad policy, because it does not further America's legitimate national interest, because it dumps wealth and debt on our grandchildren, then that is ridiculous. What is the matter? You are just a crank. You are just trying to slow down the machine. You are stopping the train.

I am telling you, this is a big deal that is coming up. This body is famous

for unlimited debate. On a number of pieces of legislation they will ask the question—the majority leader and others frequently ask a question, and this is what they say: I ask unanimous consent that this piece of legislation pass—maybe 100, 200, 500 pages—without an amendment, without any debate, and we go straight to a vote and just pass it.

How many Members of this body actually read it? Very few, if any. Senator COBURN tries to read them. He tries to analyze them. He does the right thing that every Senator should do. If he sees something that needs to be debated or corrected, he objects because he is not ready to consent. Isn't that fundamentally it? He is not prepared to consent because he thinks there is something bad in it for America. He is one of the most principled people I know in committing to what is best for America—not just Oklahoma but for America.

So the majority leader has gotten his back up. He just wants all these bills to go through, and he doesn't want to have them brought up.

Senator COBURN has repeatedly improved pieces of legislation. I hope if we proceed with this debate—and I don't know if Senator COBURN possibly has time—but I would like to see brought out on the floor of this Senate some of the corrections and improvements to hundreds of pieces of legislation that he has achieved by standing up and saying: I am not going to consent until you fix this problem. You know it is bad, go on and agree to it. And frequently they will agree. They will say politics made us do it. We really didn't favor that anyway, TOM. But maybe if it is the only way we can pass it, we will just do it and do the right thing. So legislation is improved time and time and time again as a result of his work.

I know with regard to this African AIDS piece of legislation, I met with a group from Africa—a grandmother whose daughter died from AIDS and who had her grandchild with her who has AIDS—and they objected to several different things in that bill. They said they would rather have no bill than if we pass it the way it was originally written.

Senator COBURN—Dr. COBURN—understands this, and he put his foot down. He made them improve that bill before he would agree to have it come up for a vote or support it, which he did eventually.

I am just saying the good government crowd is being spun around, and many in the media are being spun around that good government is on the side of those who don't like people who put holds on legislation. I would say it is crystal clear that anybody who loves this country, who worries about reckless spending, who wants integrity in government should be on the side of a Senator who will stand up and read the legislation, who is prepared to come to the floor and debate the problems he

sees in it, and who will offer amendments to make it better. That is what a Senator ought to do.

That is what this Senate should be. It will be a dark day, it will be a day of shame in this Senate if we cobble all these pieces of legislation together and ram it through without any opportunity to amend it. That is what the plan is, as I understand it, to just cobble up 36 pieces of legislation that people have concerns about and just file for cloture, shut off debate, and pass them all. That is not good policy. It will be a dark day for this Senate.

I am so proud I had the opportunity to be here and hear Senator COBURN's speech. He is doing the right thing for this country. I am proud of him and I will be supporting him and I think a lot of others will too.

I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, I would like to thank the Senator for his remarks. I stayed also to hear Senator COBURN, and I am glad I did. It was an important speech for this body in a whole variety of ways.

The Senator from Alabama spoke about one of the ways, but another way is that he reminded us that we are here not to advance our own political interests. I don't think most of us feel as if we are. We come here from a variety of different directions. For most of us, it is an accident we are here. We don't take ourselves all that seriously. We know it is just a set of circumstances that put us here, and we work hard. I think most of us get up every day hoping by the end of the day that we will think of something constructive to do that will help the country. But the functioning of the Senate has failed us in our ability to do that.

I have tried to put my finger on it over the last 6 years. I am not sure I have all the answers. I came here 40 years ago, with Howard Baker, in 1967. I was very young, just out of law school, and I watched things. It is never very easy—in a big complex country like this—to resolve things, and so many of the tougher issues get thrown here. We are supposed to have big issues and fierce debates and big arguments and differences of opinion. That is what we are for. But the tradition has always been that when they come here, we not only bring them up and discuss them, but we resolve them; that we come to some conclusion. That is a part of what Senator COBURN says as well.

We are not able to do that when the structure of the Senate keeps us for 9 days, as an example, from dealing with the single most important issue facing our country—high gas prices.

Senator COBURN spoke about another equally important issue to our country—our fiscal condition in the country. So we need to think about what we need to do to change the structure of our Senate. I know many on the other side must feel the same way. I served

with some of them when we were Governors and we were of different parties. I know they are well intentioned. We have our private conversations. We all express to each other our disappointment that we are not able to focus on a major issue and show respect for our opinions and then come to a result. We must do that.

Our country faces many serious challenges. The fiscal condition of our country has to be dealt with in the next 6 years. It has to be dealt with. The challenge of energy independence has to be dealt with. Our health care system has to be dealt with. We can't do that with a dysfunctional Senate. We simply can't do that. So we need to dedicate ourselves to working across party lines and to putting the country first and partisan considerations second.

I think most of us would rather do that. But there are a few here who prevent that, and perhaps we just need to overcome it. Maybe we are spending all our spare time in too many partisan meetings. Maybe we need to spend more together.

But I stayed to listen to Senator COBURN because I respect him. There are very few Senators who are more valuable in our Senate than he. He is obviously here not for some partisan purpose. He has a sense of purpose about our country and about our Senate. I commend him for it, and I am glad I had the privilege of hearing him speak this afternoon.

I thank the Chair.

Mr. COBURN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah is recognized.

LIHEAP

Mr. HATCH. Mr. President, I have been watching the debate over the intervening time this week and, frankly, I am appalled that we cannot address energy prices at this time, because we cannot get together from a bipartisan standpoint.

Today the Senate voted on a motion to proceed to S. 3186, a bill to provide funding for the Low-Income Home Energy Assistance Program, or what is commonly referred to as LIHEAP. I have a long history of supporting the LIHEAP program and have voted for almost every increase in the program that has been proposed in Congress. But today's vote is different. It is not a vote about making sure our low-income citizens have the heating and cooling assistance they need, because they already do under the existing program. There is \$100 million still left in the program. Most of that money was

for heating last winter, but we had that much left over.

So what is the emergency here? On top of the existing surplus in the program, the program will also be fully funded for the coming winter when we pass a continuing resolution which will keep all the Government programs running at the level they were funded at last year. So let's not pretend the LIHEAP program is not in place or that it will not be funded for the coming year.

As you well know, each year the Congress appropriates the Government funding needs through 13 appropriations bills. Each bill is handled by separate subcommittees of the full Senate Committee on Appropriations. I applaud the Appropriations Committee and its subcommittees because they have done a good job of preparing and marking up their various appropriation bills.

But there is one problem. Our majority leader has announced we will not be passing any of these bills this year. Instead, we will be passing a continuing resolution that I referred to. Why this announcement? Why can't we pass any appropriations bills this year? There is still plenty of time. I can tell you that Republicans have many amendments prepared for those bills that would allow our Nation to produce more domestic oil. But the anti-oil extremists calling the shots in the Democratic Party cannot allow votes on finding more oil because they know those votes would succeed. That is what this is all about here. That is why we have had a very difficult time and have had to vote against cloture.

If we could do what is normally done in this great legislative body, and that is bring up our amendments and vote them up or down or move to table them if they want to, we could get this matter over in a very short period of time. But our friends on the other side know it would be a considerably different bill than the Band-Aid bill they have had on the floor, the speculation bill.

We need a comprehensive approach to it and, as Members on both sides, we need to vote on these important amendments.

Unfortunately for the Democratic Party, the poor are beginning to wake up that the liberals who they have always looked to are behind the war on the poor. By the "war on the poor," I refer to the movement by the extremists to close off every good domestic oil resource, which is the direct cause of the high energy prices we Americans face. We have heard of the \$700 billion we are spending overseas when we have oil right here in America that would alleviate this type of expenditure and keep the money home.

Democrats have begun to recognize the position they are in and are trying to have it both ways with today's vote.

Earlier this month a group of protesters came to Capitol Hill, calling on Congress to stop the war on the poor—some of that is obscured by signs, by

groups, and Congressmen—who are closing off America's energy resources. Included in this group were pastors and civil rights leaders, calling on this body to unlock America's oil resources for the benefit of Americans, and especially for the benefit of lower income Americans.

One of the participants was Bishop Harry Jackson. I wish to quote some of his remarks for the RECORD. These are his words:

I am a registered Democrat but this has nothing to do with partisan politics. Unless the public understands that there are specific people and organizations that are fueling this war against the poor, nothing will change and the poor will continue to suffer. We will unmask those behind this war, regardless of their political party or ideology. Party labels and partisan ideologies are meaningless when it comes to protecting the lives of America's most vulnerable citizens.

That is Bishop Harry Jackson, a Democrat, who has been calling the bluff here.

By the way, you can see more about the "stop the war on the poor" movement on the Web at www.stopwaronpoor.org.

Democrats in Congress must choose between the very well-funded extreme anti-oil interests or the poor, because on energy prices there is no compromise between the two. To be honest, I believe Americans have put their finger on this conflict even before their Representatives in Congress have fully begun to understand it.

However, the fact that this vote was scheduled today when it was not even necessary is an indication that they are beginning to catch on.

Look at this photo of the protesters: My Family Needs Affordable Energy. Food or Fuel, Don't Make Me Choose. Congress Needs To Act.

I think Congress does need to act. These are folks who are being hit hard.

This next chart has a couple of examples of the Democrats' war on the poor. Both these examples were referred to during the war on poor protest. Here we see that Representative HENRY WAXMAN—great friend of mine, no question, I care a great deal for him—but he passed a bill that bans the Federal Government from purchasing oil sands from Canada, unless he can prove it has a lesser greenhouse gas footprint than gasoline. In other words, we would be turning away 1.5 million barrels of oil a day from a friendly neighbor in favor of oil from the Middle East and Russia. What about the greenhouse gas footprint of shipping that oil all the way across the world and all the way over here?

Representative WAXMAN's section 526, 2007 Defense bill bans the Federal procurement of oil shale, oil sands, and coal to liquids. It turns away 1.5 million barrels a day from Canada, our neighbors to the North, our friends to the North, in favor of oil from the Middle East and Venezuela.

Let me go further here. Last year, Representative MARK UDALL, who represents Aspen, CO, passed a 1-year moratorium on commercial oil shale leasing.

Keep in mind, Estonia has been developing oil from oil shale for over 90 years—Estonia. I might add that Brazil has been developing oil from oil shale for decades. It can be done. We know how to do it. We have the companies willing to do it. We have people willing to put up the capital to do it. Oil shale has plenty of oil, and we can develop it, but instead we say no.

Last year Representative MARK UDALL, who represents Aspen, CO, passed a 1-year moratorium on commercial oil shale leasing. At first I thought he was seeking a little extra time for comments, but a year moratorium on leases is a very long time. But believe it or not, after the solid year that will expire this September, he is now trying to extend the moratorium for another year when we are sending \$700 billion every year overseas to some who are not our friends, with not a dime of that coming back to benefit us.

I guess there are not too many poor in Aspen. I love Aspen and the people there. It is a beautiful place, but it is no secret that it is home to very many wealthy elites and environmentalists. I have no problem with Representative UDALL in choosing the elite and anti-oil crowd over the poor. That is his constituency. But let's be honest about the choices we are making around here. Ironically, the local governments in Colorado's oil shale areas support oil shale development. But it is the wealthy environmentally minded citizens like the good people of the not so nearby Aspen who are opposing it.

I addressed the environmental benefits of oil shale production earlier in my remarks, but extreme views are sometimes extremely hard to change.

The American people are not asking for a big appropriation or some difficult action by Congress. They are not asking us to give oil companies subsidies or environmental loopholes. All they ask is they are asking this Congress to stop locking up our domestic oil resources. They are asking us to stop relying on foreign governments who are much smarter than we are about developing their own oil resources. They are asking us to find more oil and use less oil, and that is our theme over here because it is true, it is right, and it should be followed.

Let's be honest about why the Senate has brought up this amendment today, this LIHEAP amendment. It is because the Democrats are trying to please the anti-oil extremists by not allowing any votes on oil drilling or on appropriations bills or on development of our oil shale lands where we have at least 3 trillion barrels of oil—about 2 trillion of which, most experts say, are recoverable.

At the same time, the Democrats must pretend they have not sold out the poor by their policies that force high gas prices. I am not inclined to play their political game and support their effort to shift the debate away

from unlocking our Nation's energy potential and I am particularly not inclined to support this vote, because this proposal busts the budget while not providing any additional benefit to the LIHEAP program.

As I have said before, the LIHEAP program has a \$100 million surplus right now. And when we pass the continuing resolution either in September or October, it will carry the same program over for the next year. There is no problem at all with regard to the LIHEAP or the low-income energy proposal we already have in law that has a \$100 million surplus.

So this is a sham. And it was a shame today to see that happening on the floor of the Senate, when we could be addressing the fact that we have it within our own power to develop our own resources to bring down the price of gas so the poor will not be spending up to 50 percent of their income on gas just to stay alive.

This is a joke. I hear the lamentations over there like they really care about solving the energy crisis. Come on. They are dominated by the anti-oil extreme environmentalists whom they are afraid to buck. If you look at the facts and if you look at what is going on and you look at what we can do if we were allowed to, it is embarrassing. Some of our good Democratic friends would vote for offshore oil drilling. I think a number of them would vote to develop our oil shale knowing that could mean a great future for our people. And literally, with the high price of oil today, it could very well be the answer. I know some of them really would like to develop our oil resources in our country today. There may even be some who, having thought it through, are willing to develop ANWR. Now we find that there are 98 billion potential barrels of oil up there in the Northwest. Are we going to continue to sit on our hands and spend \$700 billion of our Treasury for overseas oil when we have it within our means to alleviate that?

That is what they are arguing. I care for every Democrat on the floor, every Democrat on the other side. I work with them all the time. I try to bring us together. But on this issue, they plain cannot break through the stranglehold these extreme environmentalists have on them and allow us to develop our own resources so that the poor are not left holding the bag, which is where they are right now. It is not just the poor, it is everybody in America who is paying \$4-plus per gallon of gas. Look at this woman's poster on this chart: "My family needs affordable energy." They should have the word on there "now."

"Food or fuel, do not make me choose."

"Congress needs to act." There ought to be a word "now" there.

Frankly, while we develop the oil resources, if we are permitted to do it, if our colleagues will wake up on the other side, and let us go forward and

get this done, we will develop wind, solar, geothermal, solar thermal, we will develop not only hybrids but plug-in hybrid cars. No one on this side has said no to that. We've been promoting alternatives over here.

In our Utah papers today was a little company in Utah called Raser Technologies that will have a truck, and they are talking about fleets of trucks that can get up to 140 miles per gallon. These would be plug-in trucks with up to 140 miles a gallon. Tesla Motors has developed a car that gets 120 miles per gallon. My Clear Act that we passed in the 2005 Energy bill provides for an accentuation of hybrid vehicles. It gives incentives to do that—not just hybrid vehicles but alternative fuel vehicles and alternative fuel infrastructure. You have seen the ads, you have seen the Honda ad talking about a fuel-cell vehicle they have already developed. What does that mean? It is a hydrogen vehicle. Nuclear power is one of the ways we can produce a lot of hydrogen in this country. But we have stopped nuclear development for so long now that we do not have the hydrogen to be able to service those. We can put those vehicles out within the next 5 to 10 years, and Americans could be driving them. There is not one drop of pollution, not one ounce of pollution in all of those vehicles. But we cannot get the hydrogen because we do not have nuclear power and some of the other power we have to have. It is going take time to get us there. In the interim, meantime, we have to have oil.

The last time I heard, as I have said many times on this floor and otherwise, our cars, our trains, our planes, our ships, our trucks—they run on oil. Until we can get all of these other things going, we need to have oil. And we have it within our power to be able to have oil domestically so that we are not throwing \$700 billion away every year and funding some people who are our enemies.

That is what is amazing to me, that some are so locked up with these extremists that they cannot—they know it is true, but they cannot do anything to promote any oil development. There is something terribly sick about that in a body this important. Should not this body be brave enough to do its best in the interests of our country to create more energy and use less as we develop all of these other alternative forms?

They have even distorted T. Boone Pickens' words when he said we cannot drill ourselves out of this problem. He did not mean we should not be drilling; he said we need to do all of these things. That is his pitch. That is his energy program. He happens to be right. But until we get all of those other alternative forms going, and these alternative vehicles, we have to have oil, and we will continue to need oil. Without it, the people who are left the most poor, the people who are left without, the people who will struggle the most are the poor. I do not under-

stand why my colleagues cannot see that. I do not understand it because they claim to be for the poor. But these extremists take precedence over the poor.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT REQUEST— S. 3001

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 732, S. 3001, the DOD authorization, at a time determined by the majority leader, following consultation with the Republican leader, and that when the bill is considered, the only first-degree amendments in order be those that are germane to S. 3001, H.R. 5668, the House companion measure, and items within the jurisdiction of the House Armed Services Committee, and that the first-degree amendments be subject to second-degree amendments which are germane to the amendment to which it was offered; that upon the disposition of all amendments, the bill be read a third time and the Senate vote on passage of the bill; that upon passage, it then be in order for the Senate to consider, en bloc, the following calendar items: Nos. 733, 734, and 735; that all after the enacting clause of each bill be stricken and the following divisions of S. 3001, as passed by the Senate, be inserted as follows: Division A—S. 3002, Division B—S. 3003, Division C—S. 3004; that these bills be read a third time, passed, and the motion to reconsider be laid upon the table, en bloc; further, that the consideration of these items appear separately in the RECORD; provided further, that the Senate then proceed to the consideration of Calendar No. 758, H.R. 5658, the House companion; that all after the enacting clause be stricken and the text of S. 3001, as amended and passed by the Senate, be inserted in lieu thereof; the bill be read a third time, passed, the motion to reconsider be laid upon the table; that the title amendment, which is at the desk, be considered and agreed to; that upon passage of H.R. 5658, as amended, the Senate insist on its amendments, request a conference with the House on the disagreeing vote of the two houses, and the Chair be authorized to appoint conferees on the part of the Senate, with the above occurring with no further intervening action or debate; finally, that in order for a first-degree amendment to be considered in order to the bill, it must be filed at the desk, and comport to the requirements specified above, by 2 p.m., Wednesday, July 30, 2008; pro-

vided further that the bill would not be considered prior to the filing deadline of first-degree amendments.

The PRESIDING OFFICER. Is there objection?

Mr. HATCH. Mr. President, reserving the right to object, although I may not personally have an objection to this, this consent would limit the rights of Senators to offer amendments to the Defense authorization bill. This is an agreement that would need to be cleared by all Senators on both sides. Given the detailed limitations of what can be offered to this bill, I will have to object on behalf of the Members on this side of the aisle.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. I would say to my friend, the only requirement was that the amendments be germane. There were unlimited amendments as long as they relate to what we are dealing with on our side.

Mr. HATCH. On behalf of our side, I have been asked to object. I apologize to my dear friend from Nevada.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. I understand the objection. The Senator from Utah is certainly not supposed to be totally aware of all that is in the Defense bill. But this agreement would allow scores of amendments because it would be anything that is germane. That is certainly nothing unusual. So I understand.

MORNING BUSINESS

Mr. REID. I now ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICANS WITH DISABILITIES ACT

Mr. REID. Mr. President, I rise to recognize the 18th anniversary of the Americans with Disabilities Act. We have much to celebrate on this occasion. Signed into law 18 years ago, the ADA has fundamentally strengthened our Nation with its promise of equal rights and opportunity for individuals with disabilities.

We can see the ADA's transformative effects on society, with our public facilities, services, transportation, and telecommunications now accessible to millions who were excluded in the past. Even though the results are easy for most of us to take for granted, they can mean the difference between exclusion and full participation for a person with a disability. The ADA has ushered in a new era of opportunity in the workplace as well. After all, this legislation was intended to prohibit discriminatory job decisions in the same spirit of the other great civil rights laws of our country.

The ADA both reflects and reinforces our commitment to the inclusion, understanding, and acceptance of all people—no matter their ability or disability.

I have met countless Nevadans with disabilities over the years whose stories breathe life into the ideals set forth by the ADA. They want to live, work, and pursue the American dream on equal footing with everyone else, and the ADA has paved the way for them to do so.

Nonetheless, the struggles that people with disabilities continue to face show that we still have a long way to go before the ADA's promise is fully realized. Economic independence, affordable health care, and the dignity of equal treatment are still beyond the reach of too many, and poverty and isolation still afflict the majority of people with disabilities. Unfortunately, court rulings in recent years have exacerbated these challenges by narrowing the ADA's coverage contrary congressional intent. It is time to restore the ADA to the law it was meant to be.

So let us renew our efforts to build upon the founding principles of this landmark civil rights law. I look forward to continuing this vital work in honor of all those who fought for its passage and on behalf of everyone today who cherishes the equality of opportunity promised by the Americans with Disabilities Act.

TOOLS OF PERSUASION AND INSPIRATION

Mr. LEVIN. Mr. President, I would like to bring to the attention of my colleagues a speech on July 15 by Secretary of Defense Robert Gates before the U.S. Global Leadership Campaign here in Washington, DC. In this remarkable speech, Secretary Gates makes the case for the improvement of the Nation's diplomatic and developmental capabilities—what he calls the “tools of persuasion and inspiration”—that are as “indispensable” to our security and prosperity as are our Armed Forces.

If we have learned anything over the last 7 years it is that turning to our capable and proven military cannot be our only or dominant way of dealing with the challenges of a dangerous world. Secretary Gates warns us of the “creeping militarization” of our Nation's foreign policy.

Too often, and especially in a crisis, we turn to the military as the only agency with the capacity and resources necessary and available for meaningful action. Secretary Gates acknowledges this reality but challenges us to make the changes that will improve the capacity, readiness and availability of the Nation's nonmilitary agencies.

Secretary Gates calls for increasing the Nation's investment in the capacity and capability of the Department of State and other development agencies. I agree; we have undermanned and un-

derfunded them for too long and we realize today more than ever the unwelcome consequences of that neglect. This is a striking observation coming from the Secretary of Defense and should demand our attention.

More money alone, however, is not enough to bring our diplomatic and development agencies up to the capability and capacity levels needed for the complexities and scope of the dangers around us. Secretary Gates also calls for a greater integration of diplomatic and developmental agencies with the military, international partners, and private groups. Current operations have demonstrated the disappointing results of the lack of a fully integrated planning and execution system that takes appropriate advantage of all the tools—diplomatic, developmental, military, international, and private—necessary to resolve conflict.

Secretary Gates has laid before the Nation a very thoughtful and convincing assessment of where we are and where we need to go in achieving the right balance of diplomatic, economic, and military capability to deal with an uncertain and threatening world. I commend his remarks to all Senators and ask unanimous consent that the July 15, 2008, speech of Secretary Gates before the U.S. Global Leadership Campaign in Washington, DC, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SPEECH TO THE U.S. GLOBAL LEADERSHIP CAMPAIGN AS DELIVERED BY SECRETARY OF DEFENSE ROBERT M. GATES, JULY 15, 2008

Thank you very much for the introductions.

Thank you Condi Rice for the kind words, and above all, for your principled and visionary leadership of the Department of State.

One of the reasons I have rarely been invited to lecture in political science departments—including at Texas A&M—is because faculty correctly suspect that I would tell the students that what their textbooks say about government does not describe the reality I have experienced in working for seven presidents. Organization charts, institutions, statistics, structures, regulations, policies, committees, and all the rest—the bureaucracy, if you will—are the necessary precondition for effective government. But whether or not it really works depends upon the people and their relationships. For significant periods since I entered government 42 years ago, the Secretary of State and Secretary of Defense were not on speaking terms. The fact that Condi and I actually get along means that our respective bureaucracies understand that trying to provoke us to fight with one another is not career-enhancing. Such efforts still occur, of course. After all, this is Washington. But the bureaucratic battles are a good deal more covert.

Of course, the human side of government is always a source of both humor and embarrassment. Will Rogers once said, “I don't make jokes. I just watch the government and report the facts.” And the conduct of diplomacy, where—as Secretary Rice can attest—protocol and propriety are so very important, provides an especially fertile ground for amusement.

For example, there was the time that President Nixon met with Israeli Prime Min-

ister Golda Meir, shortly after Nixon had appointed Henry Kissinger as Secretary of State. With Golda Meir in that meeting was her very erudite foreign minister, Abba Eban, a graduate of Cambridge. At one point in the meeting, Nixon turned to Golda Meir and said, “Just think, we now both have Jewish foreign ministers.” And without missing a beat Golda Meir said, “Yes, but mine speaks English.”

Then there was the time that President Nixon visited Italy and had a meeting with the Pope. Kissinger and Nixon had along with them Secretary of Defense Mel Laird, but they decided that Laird as, in effect, secretary of war shouldn't be invited to meeting with the Pope. So, Nixon the next morning went in for his private audience with the Pope, and the other Americans waited outside for the general audience. And who should come striding down the hall of the papal apartments but Mel Laird smoking an enormous cigar; he had decided he wanted in on the meeting. Kissinger was beside himself, but finally said, “Well, Mel, at least extinguish the cigar.” And so Laird stubbed out his cigar and put it in his pocket.

The rest of the American party a few minutes later went in to their meeting with the Pope, everyone took a seat. A couple of minutes into the Pope's remarks, Kissinger heard this little patting sound going on, he was in the second row with Laird on the end, there was a wisp of smoke coming out of Laird's pocket. Everything seemed under control. A couple of minutes later, Kissinger heard this loud slapping noise. He looked over smoke was billowing out of Laird's pocket. The Secretary of Defense was on fire. Now the rest of the delegation heard this slapping noise, and they thought they were being cued to applaud the Pope. And so they did. And Henry later told us, “God only knows what his Holiness thought, seeing the American secretary of defense immolating himself, and the entire American party applauding the fact.”

I am honored to receive this award, and I consider it a privilege to be associated with the United States Global Leadership Campaign. It is a truly remarkable collection of “strange bedfellows”—from Save the Children to Caterpillar, from Catholic Relief Services to AIPAC, and even Boeing and Northrop Grumman. This organization has been a prescient, and often lonely, advocate for the importance of diplomacy and international development to America's vital national interests—and I commend you for that.

Though my views on these subjects have become better known through recent speeches, in many ways they originated and were reinforced by my prior experience in government during the Cold War. Looking back, it is clear that the strength of America's military forces and intelligence capabilities—along with the willingness to use them—held the Soviets at bay for more than four decades. But there was another side to that story and to that struggle. There was the Agency for International Development overseeing development and humanitarian assistance programs that improved—if not saved—the lives of millions of people from disease, starvation, and poverty. Our diplomats forged relationships and bonds of trust, and built up reservoirs of expertise and goodwill that proved invaluable over time. Countless people in foreign countries wandered into a United States Information Agency library, or heard from a visiting speaker and had their opinions about America transformed by learning about our history and culture and values. Others behind the Iron Curtain were inspired to resist by what they heard on Radio Free Europe and the Voice of America.

In all, these non-military efforts—these tools of persuasion and inspiration—were indispensable to the outcome of the defining ideological struggle of the 20th century. I believe that they are just as indispensable in the 21st century—and maybe more so.

Just last month I approved a new National Defense Strategy that calls upon us to “Tap the full strength of America and its people”—military and civilian, public and private—to deal with the challenges to our freedom, prosperity, and security around the globe.

In the campaign against terrorist networks and other extremists, we know that direct military force will continue to have a role. But over the long term, we cannot kill or capture our way to victory. What the Pentagon calls “kinetic” operations should be subordinate to measures to promote participation in government, economic programs to spur development, and efforts to address the grievances that often lie at the heart of insurgencies and among the discontented from which the terrorists recruit. It will take the patient accumulation of quiet successes over time to discredit and defeat extremist movements and their ideology.

We also know that over the next 20 years and more certain pressures—population, resource, energy, climate, economic, and environmental—could combine with rapid cultural, social, and technological change to produce new sources of deprivation, rage, and instability. We face now, and will inevitably face in the future, rising powers discontented with the international status quo, possessing new wealth and ambition, and seeking new and more powerful weapons. But, overall, looking ahead, I believe the most persistent and potentially dangerous threats will come less from ambitious states, than failing ones that cannot meet the basic needs—much less the aspirations—of their people.

In my travels to foreign capitals, I have been struck by the eagerness of so many foreign governments to forge closer diplomatic and security ties with the United States—ranging from old enemies like Vietnam to new partners like India. Nonetheless, regard for the United States is low among the populations of many key nations—especially those of our moderate Muslim allies.

This is important because much of our national security strategy depends upon securing the cooperation of other nations, which will depend heavily on the extent to which our efforts abroad are viewed as legitimate by their publics. The solution is not to be found in some slick PR campaign or by trying to out-propagandize al-Qaeda, but rather through the steady accumulation of actions and results that build trust and credibility over time.

To do all these things, to truly harness the “full strength of America,” as I said in the National Defense Strategy, requires having civilian institutions of diplomacy and development that are adequately staffed and properly funded. Due to the leadership of Secretary Rice and before her Secretary Powell, and with the continuing strong support of the President, we have made significant progress towards pulling ourselves out of the hole created not only by the steep cutbacks in the wake of the Cold War—but also by the lack of adequate resources for the State Department and the entire foreign affairs account going back decades.

Since 2001, international affairs spending has about doubled, State has begun hiring again, billions have been spent to fight AIDS and malaria in Africa, the Millennium Challenge Corporation is rewarding better governance in the developing world, and Secretary Rice has launched a program of transformational diplomacy to better posture the

diplomatic corps for the realities of this century. The President's budget request this year, as Condi said, includes more than 1,100 new Foreign Service officers, as well as a response corps of civilian experts that can deploy on short notice. And, for the first time in a long time, I sense real bipartisan support in Congress for strengthening the civilian foreign affairs budget.

Shortfalls nonetheless remain. Much of the total increase in the international affairs budget has been taken up by security costs and offset by the declining dollar, leaving little left over for core diplomatic operations. These programs are not well understood or appreciated by the wider American public, and do not have a ready-made political constituency that major weapons systems or public works projects enjoy. As a result, the slashing of the President's international affairs budget request has too often become an annual Washington ritual—right up there with the blooming of the cherry blossoms and the Redskins' opening game.

As someone who once led an agency with a thin domestic constituency, I am familiar with this dilemma. Since arriving at the Pentagon I've discovered a markedly different budget dynamic—not just in scale but the reception one gets on the Hill. Congress often asks the military services for lists of things that they need, but that the Defense Secretary and the President were too stingy to request. As you can imagine, this is one congressional tasking that prompts an immediate and enthusiastic response.

It has become clear that America's civilian institutions of diplomacy and development have been chronically undermanned and underfunded for far too long—relative to what we spend on the military, and more important, relative to the responsibilities and challenges our nation has around the world. I cannot pretend to know the right dollar amount—I know it's a good deal more than the one percent of the federal budget that it is right now. But the budgets we are talking about are relatively small compared to the rest of government, a steep increase of these capabilities is well within reach—as long as there is the political will and wisdom to do it.

But even as we agree that more resources are needed, I believe that there is more to this problem than how much money is in the 150 Account. The challenge we face is how best to integrate these tools of statecraft with the military, international partners, and the private sector.

Where our government has been able to bring America's civilian and the military assets together to support local partners, there have been incredibly promising results. One unheralded example, one you will not read about in the newspapers, is in the Philippines. There the U.S. Ambassador—Kristie Kenney—has overseen a campaign involving multiple agencies working closely together with their Philippine counterparts in a synchronized effort that has delegitimized and rolled back extremists in Mindanao. Having a strong, well-supported chief of mission has been crucial to success.

The vastly larger, more complex international effort in Afghanistan presents a different set of challenges. There are dozens of nations, hundreds of NGOs, universities, development banks, the United Nations, the European Union, NATO—all working to help a nation beset by crushing poverty, a bumper opium crop, and a ruthless and resilient insurgency. Getting all these different elements to coordinate operations and share best practices has been a colossal—and often all too often unsuccessful—undertaking. The appointment this spring of a UN special representative to coordinate civilian reconstruction in Afghanistan is an important

step forward. And at the last NATO defense ministerial, I proposed a civilian-military planning cell for Regional Command South to bring unity to our efforts in that critically important part of the country. And I asked Kai Eide, when I met with him last week, to appoint a representative to participate in this cell.

Repeating an Afghanistan or an Iraq—forced regime change followed by nation-building under fire—probably is unlikely in the foreseeable future. What is likely though, even a certainty, is the need to work with and through local governments to avoid the next insurgency, to rescue the next failing state, or to head off the next humanitarian disaster.

Correspondingly, the overall posture and thinking of the United States armed forces has shifted—away from solely focusing on direct American military action, and towards new capabilities to shape the security environment in ways that obviate the need for military intervention in the future. This approach forms the basis of our near-term planning and influences the way we develop capabilities for the future. This perspective also informed the creation of Africa Command, with its unique interagency structure, a deputy commander who is an ambassador not a general, as well as Southern Command's new orientation and priorities in Latin America.

Overall, even outside Iraq and Afghanistan, the United States military has become more involved in a range of activities that in the past were perceived to be the exclusive province of civilian agencies and organizations. This has led to concern among many organizations—perhaps including many represented here tonight about what's seen as a creeping “militarization” of some aspects of America's foreign policy.

This is not an entirely unreasonable sentiment. As a career CIA officer I watched with some dismay the increasing dominance of the defense 800 pound gorilla in the intelligence arena over the years. But that scenario can be avoided if—as is the case with the intelligence community today—there is the right leadership, adequate funding of civilian agencies, effective coordination on the ground, and a clear understanding of the authorities, roles, and understandings of military versus civilian efforts, and how they fit, or in some cases don't fit, together.

We know that at least in the early phases of any conflict, contingency, or natural disaster, the U.S. military—as has been the case throughout our history—will be responsible for security, reconstruction, and providing basic sustenance and public services. I make it a point to reinforce this message before military audiences, to ensure that the lessons learned and re-learned in recent years are not forgotten or again pushed to the margins. Building the security capacity of other nations through training and equipping programs has emerged as a core and enduring military requirement, though none of these programs go forward without the approval of the Secretary of State.

In recent years the lines separating war, peace, diplomacy, and development have become more blurred, and no longer fit the neat organizational charts of the 20th century. All the various elements and stakeholders working in the international arena—military and civilian, government and private—have learned to stretch outside their comfort zone to work together and achieve results.

For example, many humanitarian and international organizations have long prided themselves on not taking sides and avoiding any association with the military. But as we've seen in the vicious attacks on Doctors Without Borders in Afghanistan, and the

U.N. Mission in Iraq, violent extremists care little about these distinctions.

To provide clearer rules of the road for our efforts, the Defense Department and “Inter-Action”—the umbrella organization for many U.S.-based NGOs—have, for the first time, jointly developed guidelines for how the military and NGOs should relate to one another in a hostile environment. The Pentagon has also refined its guidance for humanitarian assistance to ensure that military projects are aligned with wider U.S. foreign policy objectives and do not duplicate or replace the work of civilian organizations.

Broadly speaking, when it comes to America’s engagement with the rest of the world, you probably don’t hear this often from a Secretary of Defense, it is important that the military is—and is clearly seen to be—in a supporting role to civilian agencies. Our diplomatic leaders—be they in ambassadors’ suites or on the seventh floor of the State Department—must have the resources and political support needed to fully exercise their statutory responsibilities in leading American foreign policy.

The challenge facing our institutions is to adapt to new realities while preserving those core competencies and institutional traits that have made them so successful in the past. The Foreign Service is not the Foreign Legion, and the United States military should never be mistaken for the Peace Corps with guns. We will always need professional Foreign Service officers to conduct diplomacy in all its dimensions, to master local customs and culture, to negotiate treaties, and advance American interests and strengthen our international partnerships. And unless the fundamental nature of humankind and of nations radically changes, the need—and will to use—the full range of military capabilities to deter, and if necessary defeat, aggression from hostile states and forces will remain.

In closing, I am convinced, irrespective of what is reported in global opinion surveys, or recounted in the latest speculation about American decline, that around the world, men and women seeking freedom from despotism, want, and fear will continue to look to the United States for leadership.

As a nation, we have, over the last two centuries, made our share of mistakes. From time to time, we have strayed from our values; on occasion, we have become arrogant in our dealings with other countries. But we have always corrected our course. And that is why today, as throughout our history, this country remains the world’s most powerful force for good—the ultimate protector of what Vaclav Havel once called “civilization’s thin veneer.” A nation Abraham Lincoln described as mankind’s “last, best hope.”

For any given cause or crisis, if America does not lead, then more often than not, what needs to be done simply won’t get done. In the final analysis, our global responsibilities are not a burden on the people or on the soul of this nation. They are, rather, a blessing.

Thank you for this award and I salute you for all that you do—for America, and for humanity.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3344. A bill to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwarranted release of convicted sex offenders.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AKAKA, from the Committee on Veterans’ Affairs, without amendment:

S. 3339. An original bill to amend chapter 33 of title 38, United States Code, to clarify and improve authorities relating to the availability of post-9/11 veterans educational assistance, and for other purposes (Rept. No. 110-433).

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, with amendments:

H.R. 5683. A bill to make certain reforms with respect to the Government Accountability Office, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. AKAKA:

S. 3339. An original bill to amend chapter 33 of title 38, United States Code, to clarify and improve authorities relating to the availability of post-9/11 veterans educational assistance, and for other purposes; from the Committee on Veterans’ Affairs; placed on the calendar.

By Mr. MARTINEZ (for himself and Mr. NELSON of Florida):

S. 3340. A bill to provide for the resolution of several land ownership and related issues with respect to parcels of land located within the Everglades National Park; to the Committee on Energy and Natural Resources.

By Mr. VOINOVICH (for himself and Mr. LIEBERMAN):

S. 3341. A bill to reauthorize and improve the Federal Financial Assistance Management Improvement Act of 1999; to the Committee on Homeland Security and Governmental Affairs.

By Ms. LANDRIEU:

S. 3342. A bill to improve access to technology by and increase entrepreneurship among small businesses located in rural communities, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. GRASSLEY:

S. 3343. A bill to amend title XVIII of the Social Security Act to provide for a disclosure requirement under the Medicare program for physicians referring for imaging services; to the Committee on Finance.

By Mr. COBURN:

S. 3344. A bill to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwarranted release of convicted sex offenders; read the first time.

By Mr. ROCKEFELLER:

S. 3345. A bill to promote the capture and sequestration of carbon dioxide, to promote the use of energy produced from coal, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 1437

At the request of Ms. STABENOW, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Texas (Mr. CORNYN) were added as cosponsors of S. 1437, a bill to require the

Secretary of the Treasury to mint coins in commemoration of the semicentennial of the enactment of the Civil Rights Act of 1964.

S. 2921

At the request of Mrs. CLINTON, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2921, a bill to require pilot programs on training and certification for family caregiver personal care attendants for veterans and members of the Armed Forces with traumatic brain injury, to require a pilot program on provision of respite care to such veterans and members, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. VOINOVICH (for himself and Mr. LIEBERMAN):

S. 3341. A bill to reauthorize and improve the Federal Financial Assistance Management Improvement Act of 1999; to the Committee on Homeland Security and Governmental Affairs.

Mr. VOINOVICH. Mr. President, I rise today to introduce the Federal Financial Assistance Management Improvement Act of 2008 with Senator LIEBERMAN.

In 1999, I introduced the Federal Financial Assistance Management Improvement Act of 1999 with Senators LIEBERMAN, Thompson and DURBIN. My good friend from Ohio, Congressman Portman, introduced companion legislation in the House of Representatives, and working together we were able to enact that legislation to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, improve the delivery of services to the public and coordinate the delivery of such services.

Progress was made under the provisions of the Federal Financial Assistance Management Improvement Act of 1999, commonly known as “PL 106-107.” A 2005 Government Accountability Office, GAO, report noted that “[m]ore than 5 years after passage of P.L. 106-107, cross-agency work groups have made some progress in streamlining aspects of the early phases of the grants life cycle and in some specific aspects of overall grants management . . .” However, GAO noted that work remained to be done, and in 2006 suggested that Congress consider reauthorizing the Federal Financial Assistance Management Improvement Act of 1999. The Act expired in November, and I believe Congress should heed GAO’s advice and reauthorize this important law.

The bill I am introducing today with Senator LIEBERMAN reauthorizes the Federal Financial Assistance Management Improvement Act and makes improvements to that Act based on the 2005 and 2006 recommendations of GAO. The bill requires the Director of the Office of Management and Budget, OMB, to develop a public Web site that allows grant applicants to search and

apply for grants, report on the use of grants, and provide required certifications and assurances for grants. I believe such a Web site will enhance the transparency required by the Federal Funding Accountability and Transparency Act that Congress enacted last year.

The bill also requires the Director of OMB to develop a strategic plan for an end-to-end electronic capability that allows non-Federal entities to manage Federal financial assistance and requires each Federal agency to plan actions to implement that strategic plan. Each Federal agency would be required to report to OMB on progress made in achieving its objectives under the OMB strategic plan, and the Director of OMB would be required to report to Congress biennially on progress made in implementing the Federal Financial Assistance Management Improvement Act.

In 1999 I said the Federal Financial Assistance Management Improvement Act was an important step toward detangling the web of duplicative Federal grants available to States, localities and community organizations. While some progress has been made to detangle that web, work remains to be done, and I hope that Congress will quickly reauthorize this law so that OMB and Federal agencies continue those efforts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Financial Assistance Management Improvement Act of 2008".

SEC. 2. REAUTHORIZATION.

Section 11 of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) in the section heading, by striking "and sunset"; and

(2) by striking "and shall cease to be effective 8 years after such date of enactment".

SEC. 3. WEBSITE RELATING TO FEDERAL GRANTS.

Section 6 of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively;

(2) by inserting after subsection (d) the following:

"(e) WEBSITE RELATING TO FEDERAL GRANTS.—

"(1) IN GENERAL.—The Director shall establish and maintain a public website that serves as a central point of information and access for applicants for Federal grants.

"(2) CONTENTS.—To the maximum extent possible, the website established under this subsection shall include, at a minimum, for each Federal grant—

"(A) the grant announcement;

"(B) the statement of eligibility relating to the grant;

"(C) the application requirements for the grant;

"(D) the purposes of the grant;

"(E) the Federal agency funding the grant; and

"(F) the deadlines for applying for and awarding of the grant.

"(3) USE BY APPLICANTS.—The website established under this subsection shall, to the greatest extent practical, allow grant applicants to—

"(A) search the website for all Federal grants by type, purpose, funding agency, program source, and other relevant criteria;

"(B) apply for a Federal grant using the website;

"(C) manage, track, and report on the use of Federal grants using the website; and

"(D) provide all required certifications and assurances for a Federal grant using the website."; and

(3) in subsection (g), as so redesignated, by striking "All actions" and inserting "Except for actions relating to establishing the website required under subsection (e), all actions".

SEC. 4. REPORT ON IMPLEMENTATION.

The Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended by striking section 7 and inserting the following:

"SEC. 7. EVALUATION OF IMPLEMENTATION.

"(a) IN GENERAL.—Not later than 9 months after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, and every 2 years thereafter until the date that is 15 years after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the Director shall submit to Congress a report regarding the implementation of this Act.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each report under subsection (a) shall include, for the applicable period—

"(A) a list of all grants for which an applicant may submit an application using the website established under section 6(e);

"(B) a list of all Federal agencies that provide Federal financial assistance to non-Federal entities;

"(C) a list of each Federal agency that has complied, in whole or in part, with the requirements of this Act;

"(D) for each Federal agency listed under subparagraph (C), a description of the extent of the compliance with this Act by the Federal agency;

"(E) a list of all Federal agencies exempted under section 6(d);

"(F) for each Federal agency listed under subparagraph (E)—

"(i) an explanation of why the Federal agency was exempted; and

"(ii) a certification that the basis for the exemption of the Federal agency is still applicable;

"(G) a list of all common application forms that have been developed that allow non-Federal entities to apply, in whole or in part, for multiple Federal financial assistance programs (including Federal financial assistance programs administered by different Federal agencies) through a single common application;

"(H) a list of all common forms and requirements that have been developed that allow non-Federal entities to report, in whole or in part, on the use of funding from multiple Federal financial assistance programs (including Federal financial assistance programs administered by different Federal agencies);

"(I) a description of the efforts made by the Director and Federal agencies to communicate and collaborate with representatives of non-Federal entities during the implementation of the requirements under this Act;

"(J) a description of the efforts made by the Director to work with Federal agencies to meet the goals of this Act, including a description of working groups or other structures used to coordinate Federal efforts to meet the goals of this Act; and

"(K) identification and description of all systems being used to disburse Federal financial assistance to non-Federal entities.

"(2) SUBSEQUENT REPORTS.—The second report submitted under subsection (a), and each subsequent report submitted under subsection (a), shall include—

"(A) a discussion of the progress made by the Federal Government in meeting the goals of this Act, including the amendments made by the Federal Financial Assistance Management Improvement Act of 2008, and in implementing the strategic plan submitted under section 8, including an evaluation of the progress of each Federal agency that has not received an exemption under section 6(d) towards implementing the strategic plan; and

"(B) a compilation of the reports submitted under section 8(c)(3) during the applicable period.

"(c) DEFINITION OF APPLICABLE PERIOD.—In this section, the term 'applicable period' means—

"(1) for the first report submitted under subsection (a), the most recent full fiscal year before the date of the report; and

"(2) for the second report submitted under subsection (a), and each subsequent report submitted under subsection (a), the period beginning on the date on which the most recent report under subsection (a) was submitted and ending on the date of the report."

SEC. 5. STRATEGIC PLAN.

(a) IN GENERAL.—The Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) by redesignating sections 8, 9, 10, and 11 as sections 9, 10, 11, and 12, respectively; and

(2) by inserting after section 7, as amended by this Act, the following:

"SEC. 8. STRATEGIC PLAN.

"(a) IN GENERAL.—Not later than 18 months after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the Director shall submit to Congress a strategic plan that—

"(1) identifies Federal financial assistance programs that are suitable for common applications based on the common or similar purposes of the Federal financial assistance;

"(2) identifies Federal financial assistance programs that are suitable for common reporting forms or requirements based on the common or similar purposes of the Federal financial assistance;

"(3) identifies common aspects of multiple Federal financial assistance programs that are suitable for common application or reporting forms or requirements;

"(4) identifies changes in law, if any, needed to achieve the goals of this Act; and

"(5) provides plans, timelines, and cost estimates for—

"(A) developing an entirely electronic, web-based process for managing Federal financial assistance, including the ability to—

"(i) apply for Federal financial assistance;

"(ii) track the status of applications for and payments of Federal financial assistance;

"(iii) report on the use of Federal financial assistance, including how such use has been in furtherance of the objectives or purposes of the Federal financial assistance; and

"(iv) provide required certifications and assurances;

"(B) ensuring full compliance by Federal agencies with the requirements of this Act,

including the amendments made by the Federal Financial Assistance Management Improvement Act of 2008;

“(C) creating common applications for the Federal financial assistance programs identified under paragraph (1), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

“(D) establishing common financial and performance reporting forms and requirements for the Federal financial assistance programs identified under paragraph (2), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

“(E) establishing common applications and financial and performance reporting forms and requirements for aspects of the Federal financial assistance programs identified under paragraph (3), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

“(F) developing mechanisms to ensure compatibility between Federal financial assistance administration systems and State systems to facilitate the importing and exporting of data;

“(G) developing common certifications and assurances, as appropriate, for all Federal financial assistance programs that have common or similar purposes, regardless of whether the Federal financial assistance programs are administered by different Federal agencies; and

“(H) minimizing the number of different systems used to disburse Federal financial assistance.

“(b) CONSULTATION.—In developing and implementing the strategic plan under subsection (a), the Director shall consult with representatives of non-Federal entities and Federal agencies that have not received an exemption under section 6(d).

“(c) FEDERAL AGENCIES.—

“(1) IN GENERAL.—Not later than 6 months after the date on which the Director submits the strategic plan under subsection (a), the head of each Federal agency that has not received an exemption under section 6(d) shall develop a plan that describes how the Federal agency will carry out the responsibilities of the Federal agency under the strategic plan, which shall include—

“(A) clear performance objectives and timelines for action by the Federal agency in furtherance of the strategic plan; and

“(B) the identification of measures to improve communication and collaboration with representatives of non-Federal entities on an on-going basis during the implementation of this Act.

“(2) CONSULTATION.—The head of each Federal agency that has not received an exemption under section 6(d) shall consult with representatives of non-Federal entities during the development and implementation of the plan of the Federal agency developed under paragraph (1).

“(3) REPORTING.—Not later than 2 years after the date on which the head of a Federal agency that has not received an exemption under section 6(d) develops the plan under paragraph (1), and every 2 years thereafter until the date that is 15 years after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the head of the Federal agency shall submit to the Director a report regarding the progress of the Federal agency in achieving the objectives of the plan of the Federal agency developed under paragraph (1).”

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 5(d) of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended by inserting “, until the date on which the Fed-

eral agency submits the first report by the Federal agency required under section 8(c)(3)” after “subsection (a)(7)”.

By Ms. LANDRIEU:

S. 3342. A bill to improve access to technology by and increase entrepreneurship among small businesses located in rural communities, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, I come to the floor today to speak on behalf of small businesses in the rural areas of my State, as well as rural small businesses nationwide. This is because small businesses are crucial to rural communities as they account for 90 percent of all rural establishments. In 1998, small firms employed 60 percent of rural workers and over 1.2 million small firms were located in rural areas. While Louisiana has major metropolitan areas such as New Orleans, Baton Rouge, Shreveport, and Lafayette, my State has countless rural communities which are vital to our State's economy. In fact, Louisiana has 13.8 million acres of hardwood and softwood forests, in addition to the fact that the State is one of the 10 largest producers of agricultural products. These include cotton, sugar cane, rice, pecans, soybeans, strawberries, and cattle. We are proud of our natural and agricultural resources, just as Louisianans are proud of our culture and cuisine.

As I mentioned, rural small businesses are key to the economy in my State, just as they are in other States. While the Department of Agriculture has various programs to help rural communities, the Small Business Administration, SBA, remains the primary Federal agency focused on promoting small businesses. From my positions on the Senate Committee on Small Business and Entrepreneurship as well as the Senate Appropriations Subcommittee on Financial Services and General Government, I have focused on improving SBA's ability to serve small businesses in Louisiana. One area that I believe this Congress can truly make a difference in addressing the main challenges facing rural small businesses. In talking to various stakeholders, I have repeatedly heard that two of the traditional obstacles to small business expansion in rural areas are lack of access to technology and capital.

For my part, I would like to offer some commonsense solutions to help address these and other challenges facing our rural small businesses. These businesses are the backbone of our economy so we should give them every opportunity to succeed. In particular, I am proud to introduce today the, “Rural Small Business Enhancement Act of 2008.” This bill provides necessary improvements to SBA programs to help the agency better assist rural small businesses.

First, as you may know, in 1982 Congress established a 5-year government-

search, SBIR, program. This program has been extended three times, most recently by Public Law 106-554, which continues the SBIR program through September 30, 2008. The SBIR program was created to help meet the Federal Government's research and development needs. Among other things, the SBIR program was established to stimulate technological innovation related to each participating agency's goals and missions, to encourage agencies to use small businesses to meet Federal research and development needs, and to increase private sector commercialization of innovation derived from Federal research and development. The SBIR program had awarded over \$17 billion to more than 82,000 projects from its inception to 2004.

In addition to the SBIR program, Congress also created the Small Business Technology Transfer, STTR, program. STTR is another important small business program that expands funding opportunities for small business in the area of Federal research and development. This program expands the public/private sector partnership to include joint venture opportunities for small businesses and non-profit research institutions. For example, our university labs are important to the country in that they provide the engine for high-technology innovation. However, if innovation cannot be translated from the classroom or the lab to the marketplace, it cannot benefit the lives of everyday people. STTR combines the strengths of small businesses and universities to transfer technology/products from the lab to the marketplace. The small businesses in particular benefit from commercialization, which supports jobs and the U.S. economy.

As part of the 2000 Reauthorization of the SBIR program, Congress also created the Federal and State Technology Partnership Program, or FAST. FAST was created to strengthen the technological competitiveness of small business concerns by providing competitive grants to States to help support the SBIR program. These grants are traditionally used to assist technology transfers by universities to small businesses, provide technical assistance to firms participating in the SBIR program, and encourage commercialization of technology developed through SBIR funding. The FAST program has proven vital to States like Louisiana, which have traditionally been in the lower tier of States in terms of SBIR/STTR awards and total dollars. For example, in fiscal year 2003, Louisiana ranked 44 in terms of total SBIR award dollars out of the other 50 States, Puerto Rico and the District of Columbia. That year Louisiana had 14 Phase I and II awards for a total of \$2,373,062. Compare that to the 3 ranked State of Maryland which had 325 awards for \$96,533,591. For this reason, technical assistance provided under FAST grants is extremely important to businesses in my State. In general, the more SBIR

applications that are submitted by small businesses in a State, the more SBIR awards are made in that State.

The FAST program has allowed the Louisiana Business and Technology Center, LBTC, located at Louisiana State University in Baton Rouge, to establish the Louisiana SBIR/STTR Phase Zero Program. This program allows LBTC to grant up to \$3,000 to companies needed help in writing SBIR Phase One grant applications and up to \$5,000 for Phase Two proposals. One of the companies that benefitted from FAST and the Phase Zero Program was Mezzo Systems. Mezzo Systems is a provider of design analysis and prototyping services for micro fluidic, optic, magneto, and electronic devices. The company was an incubator tenant of the LBTC at LSU and I was able to visit with them at the center in 2003. With the support of my office and the LBTC, Mezzo won five SBIR awards totalling \$1.3 million. One of these awards was an SBIR grant from the Department of Defense Missile Defense Agency totalling \$750,000.

Through the FAST program, several spinoff companies at Louisiana Technical University in Ruston, Louisiana have also received SBIR funding to support research and development related to commercial application of their innovations. This is because Louisiana Tech recognizes the value of expanding the local service network for technology-based, small and rural businesses through programs like FAST.

While my State has utilized the FAST program successfully in the past, I believe that rural areas, such as Louisiana, need additional technical assistance to help our small businesses compete in the SBIR program. In particular, I am concerned about the non-Federal match that is required for this program. Currently, each participating State that receives FAST awards is required to match each Federal dollar that is provided with their own funds. I do not oppose this approach as each recipient should put up funds as the Federal Government is putting up the majority of funds for these activities. However, as currently structured, each State in the bottom 18 States receiving the fewest SBIR Phase I awards is required to put up 50 cents for each Federal dollar. This makes sense as the lower tier of States need additional technical assistance so they should have an incentive to apply for these grants. Next, each State in 1 of the 16 States receiving the greatest number of Phase I awards are required to match dollar for dollar each Federal dollar awarded. States not included in either of these two categories, those in the middle tier, are required to match 75 cents for each Federal dollar. There was also included a special match requirement for low-income areas, which is 50 cents for each Federal dollar.

In reviewing this current structure, it is clear that rural areas and rural small businesses could benefit from a reduced match requirement for the

FAST program. Just as low-income areas and States which are the bottom 18 States for SBIR awards are provided a 50-cent match requirement, FAST award recipients in rural areas should be provided a reduced match requirement. My bill would make this important revision and would also further reduce the match requirement, to 35 cents, for FAST grants from rural areas which are also in the bottom 18 States. This increased technical assistance would go a long way and really provide assistance where it is most needed—our rural small businesses and universities. Furthermore, this change does not affect the allocation of SBIR program awards but does provide rural areas with a level playing field when competing for these awards.

As I mentioned, the SBIR program is set to expire on September 30, 2008. It is important that we reauthorize this program given its importance to our country, universities and small businesses. Almost as important as reauthorizing this program is ensuring that the necessary technical assistance programs are also extended. Small business owners often lack the resources and expertise necessary to improve the quality of their proposals. That is where programs such as FAST come in to help. For SBIR/STTR, Congress also created a program which was particularly helpful to rural small businesses. In particular, the Rural Outreach Program was created by Senator KIT BOND in 1997 to help the lower tier SBIR/STTR States increase their participation and success in both programs. Funds under this program helped these 25 underrepresented States establish or expand programs to assist small high technology businesses through training, counselling, and outreach. Activities included workshops, one-on-one counselling for small businesses, and the expansion of the base of high-technology/economic development service providers.

While this program was extremely helpful to rural States like Louisiana, President Bush each year tried to cut the program in his budget. Along with Senator JOHN KERRY and six other Senators, in 2004 I sent a letter to then SBA Administrator Hector Barreto urging him to restore Rural Outreach Program funds in his fiscal year 2005 budget. Unfortunately, it is my understanding that no additional funding was provided and the program was not reauthorized. In my bill I include a reauthorization of the Rural Outreach Program. It is my hope to work closely with Senators BOND and KERRY to reauthorize this important program when we reauthorize the overall SBIR program. I would also note that I believe the Rural Outreach program, which I understand may have been intended to phase out as the FAST program ramped up, can coexist with the FAST program. With the change included in this bill for the FAST program, along with reauthorizing the Rural Outreach Program, the States at

the lower tier of SBIR awards would receive the help needed most—technical assistance. Rural States and those at the bottom of the rankings in SBIR awards deserve more, not less, technical assistance dollars. That is so that they can provide the help necessary to foster innovation and commercialization in their States.

Next, both the SBIR and STTR programs are administered by the SBA Office of Technology. Eleven agencies participate in the SBIR program and five agencies participate in the \$2 billion STTR program, yet I have repeatedly heard concerns from stakeholders that the Office of Technology is understaffed and overwhelmed. The employees in this office deserve tremendous credit for their service in running these vital programs but they also deserve additional help. Groups in my State have told me about calling the office for assistance with understanding SBIR/STTR rules. They indicated that the office was helpful, but slow. For example, when an award is granted, the agency administering the award provides the names of numerous staff members that may be contacted for SBIR reporting, funds management, technical assistance, and other needs. There does not appear to be the same capacity for assistance or outreach in the Office of Technology. If one considers that both SBIR/STTR provide hundreds of awards worth hundreds of millions of dollars each year, additional funds for staff to oversee these programs is a wise investment of taxpayer funds. The bill I am introducing today would require SBA to hire five additional employees and provide the agency with the funds to hire them.

While the Rural Small Business Enhancement Act includes these provisions which focus on existing SBA programs, there also is a need for new programs to help our rural small businesses. The Federal Government disposes of or sells thousands of unused computers each year. Some of this technology could be better utilized in the hands of entrepreneurs in rural communities. Recently, the SBA Office of Advocacy worked with U.S. Department of Agriculture to donate a warehouse of used Department of Health and Human Services computers to rural communities. Given that the SBA is charged with promoting entrepreneurship in low-income and rural communities, it is a natural agency to spearhead an initiative to donate/discount used Federal computers to rural/low-income areas. According to information provided to my office by SBA, the agency currently has about 7,000 desktop personal computers and 2,700 laptops. Some estimates say that perhaps as many as 10 percent of these computers are targeted for disposal every month or so. When SBA disposes of these computers, they follow General Services Administration guidelines to either dispose of them through excess property auctions or through contractors. I would like to see SBA

help address the technology challenges of rural small businesses by donating these used computers to these businesses or offering them at discounted prices. As such, my bill creates a 3 year pilot program at SBA where the agency would provide not less than 1,000 excess government computers each year to small businesses in rural areas.

Lastly, rural small businesses, just as with businesses in metropolitan areas, need capital to expand or survive. Unfortunately, many smaller lenders which have served rural areas have merged with larger banks in recent years. These local banks are traditionally the only source of capital in the community. To address this issue, my bill directs the Administrator to establish a rural lending outreach program. This program would provide not more than an 85 percent guaranty for loans of \$250,000 or less. Since the program is targeted for rural areas, there is a requirement that the program be carried out only through lenders in rural areas. I would note that this particular provision is also included in a bill which I have cosponsored, S. 2920, the "SBA Reauthorization and Improvement Act" which was introduced by Senators KERRY, SNOWE, and LEVIN.

In the coming 2 months, both the House and Senate will be working to reauthorize the SBIR program. As we reauthorize the SBIR program, Congress should not forget the role that rural small businesses and universities play in fostering innovation and development. For example, in Louisiana, we have multiple universities participating in these programs and collaborating with local small businesses. I have already mentioned LSU and Louisiana Tech. Louisiana Tech in particular has steadily increased its activity in the SBIR program at a key time for the region. This is because the Barksdale Air Force base located in Shreveport, which is 70 miles from Ruston, is looking to secure the permanent Cyber Command. This command would protect the United States from cyber warfare. All of the universities, colleges, and parishes in this area are collaborating on securing this command, which could mean thousands of jobs for the region. As they look to attract additional technology-based businesses, the SBIR/STTR program has proven to be an important economic development tool for local businesses and communities. For my part, I want to ensure that universities like Louisiana Tech in rural areas have every opportunity to compete on a level playing field for SBIR dollars. I also would like to provide our rural small businesses with the tools necessary to partner with these institutions to commercialize the products of their research. The bill I introduce today would accomplish both of these goals and, in the process, it would improve the ability of SBA to assist rural small businesses. I urge my colleagues to support this commonsense legislation as we must foster development in our rural

small businesses. Without these businesses, our country cannot truly compete on the international stage. This is because our Fortune 500 companies and large urban areas are instrumental in the success of the United States but rural small businesses and rural areas form the backbone of this country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rural Small Business Enhancement Act of 2008".

SEC. 2. DEFINITIONS.

In this Act, the terms "Administration" and "Administrator" mean the Small Business Administration and the Administrator thereof, respectively.

SEC. 3. RURAL AREAS.

Section 34(e)(2) of the Small Business Act (15 U.S.C. 6657d(e)(2)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following:

“(C) RURAL AREAS.—

“(i) IN GENERAL.—Except as provided in clause (ii), the non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 50 cents for each Federal dollar that will be directly allocated by a recipient described in paragraph (A) to serve small business concerns located in a rural area.

“(ii) SBIR AWARDS.—For a recipient located in a rural area that is located in a State as described in subparagraph (A)(i), the non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 35 cents for each Federal dollar that will be directly allocated by a recipient described in paragraph (A) to serve small business concerns located in the rural area.

“(iii) DEFINITION OF RURAL AREA.—In this subparagraph, the term ‘rural area’ has the meaning given that term in section 1393(a)(2) of the Internal Revenue Code of 1986.”

SEC. 4. RURAL OUTREACH PROGRAM.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by inserting after subsection (r) the following:

“(s) OUTREACH.—

“(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term ‘eligible State’ means a State—

“(A) if the total value of contracts awarded to the State during fiscal year 2004 under this section was less than \$10,000,000; and

“(B) that certifies to the Administration described in paragraph (2) that the State will, upon receipt of assistance under this subsection, provide matching funds from non-Federal sources in an amount that is not less than 50 percent of the amount provided under this subsection.

“(2) PROGRAM AUTHORITY.—Of amounts made available to carry out this section for each of the fiscal years 2009 through 2020, the Administrator may expend with eligible States not more than \$2,000,000 in each such fiscal year in order to increase the participation of small business concerns located in

those States in the programs under this section.

“(3) AMOUNT OF ASSISTANCE.—The amount of assistance provided to an eligible State under this subsection in any fiscal year—

“(A) shall be equal to twice the total amount of matching funds from non-Federal sources provided by the State; and

“(B) shall not exceed \$100,000.

“(4) USE OF ASSISTANCE.—Assistance provided to an eligible State under this subsection shall be used by the State, in consultation with State and local departments and agencies, for programs and activities to increase the participation of small business concerns located in the State in the programs under this section, including—

“(A) the establishment of quantifiable performance goals, including goals relating to

“(i) the number of program awards under this section made to small business concerns in the State; and

“(ii) the total amount of Federal research and development contracts awarded to small business concerns in the State;

“(B) the provision of competition outreach support to small business concerns in the State that are involved in research and development; and

“(C) the development and dissemination of educational and promotional information relating to the programs under this section to small business concerns in the State.”

SEC. 5. RURAL SMALL BUSINESS TECHNOLOGY PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term “qualified small business concern” means a small business concern located in a rural area;

(2) the term “rural area” has the meaning given that term in section 1393(a)(2) of the Internal Revenue Code of 1986; and

(3) the term “small business concern” has the same meaning as under section 3 of the Small Business Act (15 U.S.C. 632).

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Administrator, in coordination with the Administrator of General Services, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report describing—

(1) the number of Government-owned computers in the possession of the Administration, including the number of working computers, nonworking computers, desktop computers, and laptop computers;

(2) the number of Government-owned computers disposed of by the Administration during the 5-year period ending on the date of enactment of this Act, including the number of such computers that were working computers, nonworking computers, desktop computers, or laptop computers;

(3) the procedures of the Administration for the disposal of Government-owned computers;

(4) the plans of the Administrator for carrying out the pilot program under subsection (c).

(c) PILOT PROGRAM.—

(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a pilot program to provide not more than 1,000 excess Government-owned computers each year to qualified small business concerns at no cost or a reduced cost.

(2) PURPOSES OF PROGRAM.—The pilot program established under paragraph (1) shall be designed to—

(A) encourage entrepreneurship in rural areas;

(B) assist small business concerns in accessing technology; and

(C) accelerate the growth of qualified small business concerns.

(3) **TERMINATION.**—The authority to conduct the pilot program under this subsection shall terminate 3 years after the date of enactment of this Act.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator such sums as are necessary to carry out this section.

SEC. 6. OFFICE OF TECHNOLOGY.

(a) **IN GENERAL.**—The Administrator shall hire not less than 5 additional full-time equivalent employees for the Office of Technology of the Administration.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Administrator such sums as are necessary to carry out this section.

SEC. 7. RURAL LENDING OUTREACH PROGRAM.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended—

(1) by striking paragraph (25)(C);

(2) by redesignating paragraph (32) relating to increased veteran participation, as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110-186; 122 Stat. 631), as paragraph (33);

(3) by adding at the end the following:

“(34) **RURAL LENDING OUTREACH PROGRAM.**—

“(A) **IN GENERAL.**—The Administrator shall carry out a rural lending outreach program to provide not more than an 85 percent guaranty for loans of not more than \$250,000. The program shall be carried out only through lenders located in rural areas (as the term ‘rural’ is defined in section 501(f) of the Small Business Investment Act of 1958 (15 U.S.C. 695(f))).

“(B) **LOAN TERMS.**—For a loan made through the program under this paragraph—

“(i) the Administrator shall approve or disapprove the loan within 36 hours of the time the Administrator receives the application;

“(ii) the program shall use abbreviated application and documentation requirements; and

“(iii) minimum credit standards, as the Administrator considers necessary to limit the rate of default on loans made under the program, shall apply.”.

By Mr. GRASSLEY:

S. 3343. A bill to amend title XVIII of the Social Security Act to provide for a disclosure requirement under the Medicare program for physicians referring for imaging services; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I am pleased today to introduce the Medicare Imaging Disclosure Sunshine Act of 2008.

I agreed to a short-term Medicare extension bill last December with the understanding that this would give us the opportunity to include other priorities in a bipartisan Medicare package this year. One of the significant issues I had hoped to address was the lack of transparency in physician self-referrals for imaging services in the Medicare program.

The recently-enacted Medicare bill requires accreditation for providers of the technical component of advanced diagnostic imaging services such as magnetic resonance imaging, MRI, computed tomography, CT, scans, and positron emission tomography, PET, and it establishes a demonstration project to assess appropriate physician use of these services. However, Mr. President, the legislation regrettably

fails to address an issue that has contributed significantly to the rapid growth in Medicare spending for imaging services: physician self-referrals for imaging services in their offices and in facilities where they own or lease advanced imaging equipment. According to a June 2008 report of the Government Accountability Office, Medicare Part B spending for imaging services more than doubled in 6 years, growing from \$6.89 billion in 2000 to \$14.11 billion in 2006. During this time, the percentage of Medicare spending on imaging services provided in physician offices grew from 58 percent, about \$4 billion, in 2000 to 64 percent, about \$9 billion, in 2006. Spending on advanced imaging services, such as MRIs, CT scans, and nuclear medicine, also grew substantially faster than other imaging services.

Beneficiaries need more transparency and disclosure of potential conflicts of interest when physicians write referrals for imaging services. An imaging disclosure provision was included in the Medicare bill that I introduced in June, and it was included in the agreement that Senator BAUCUS and I reached for this year's Medicare bill. The provision was not onerous nor was it overly proscriptive: it merely required referring physicians to disclose any conflict of interest related to their ownership of advanced imaging facilities or equipment. Patients still would be free to choose their physicians' imaging facility or equipment or to go elsewhere. Unfortunately, the imaging disclosure provision was dropped from the Medicare bill that Congress enacted once the process became partisan.

It is for this reason that I am introducing this bill. The Medicare Imaging Disclosure Sunshine Act does just what the name implies: it requires referring physicians to shed some light on their relationship to imaging facilities and equipment they own by disclosing that ownership interest and providing beneficiaries with a list of alternative providers. The referring physician is required to inform the individual in writing at the time of referral that he or she can obtain imaging services elsewhere if they choose to do so and to provide a list of imaging suppliers located where the individual resides. The imaging services covered by the requirement include MRIs, CT scans, PET, and other radiology services specified as designated health services that the Secretary of Health and Human Services determines appropriate. The requirement would be effective in January 2010.

Technology has made great advances in imaging services in recent years, and improvements in imaging hold much promise for earlier and more accurate diagnoses of life-threatening diseases which often may lead to improved outcomes for patients. But we must do more to help control the potential for overutilization of imaging services. The Medicare Payment Advi-

sory Commission, or MedPAC, and others have expressed serious concerns that the sizeable growth in the volume of imaging services needs to be addressed. In March 2005, MedPAC recommended that the Secretary of HHS establish standards for providers of diagnostic imaging services and measure physicians' use of imaging services with their peers. Those recommendations were addressed to some degree in the Medicare bill that Congress enacted. However, another key MedPAC recommendation—that the Secretary of HHS strengthen the rules limiting physicians' financial incentives to order imaging services—unfortunately was ignored.

The June 2008 GAO Report noted that physicians in specialties other than radiology generated an increasing share of revenue from in-office imaging services from 2000 to 2006. They also found that in-office imaging spending per beneficiary, like other Medicare spending, varied widely across geographic regions of the country. By 2006, in-office imaging spending per beneficiary varied from \$62 in Vermont to \$472 in Florida, nearly eight times as much. This raises additional concerns about overuse since research on geographic variations on health care spending shows that, generally, providing more services does not lead to improved health care outcomes. In GAO's view, the shift in imaging services from hospital settings to physician offices has the potential to encourage overuse in light of the financial incentives that exist for physicians to supplement lower professional fees for interpreting imaging tests with relatively higher fees for performing the tests. They concluded that physician ownership of imaging equipment is a way to generate additional revenue for a practice.

The Medicare Imaging Disclosure Sunshine Act will provide another necessary tool to address the significant increase in Medicare spending for in-office imaging services by providing more transparency and shedding some light on physician referrals to facilities and medical imaging equipment they own. I urge my colleagues to support this legislation.

By Mr. ROCKEFELLER:

S. 3345. A bill to promote the capture and sequestration of carbon dioxide, to promote the use of energy produced from coal, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, today I introduce the Future Fuels Act of 2008. Put simply, I think coal—especially clean coal—is a critical part of the solution to America's energy independence and to our national security. The bill I will describe this morning presents several technological options that will help put us on a path toward achieving greater energy independence, while also tackling the grave threat to human health, property, and the world's economy that is global climate change.

I know that there are some, in this chamber and around the country, who would demonize coal. But the reality is that coal is what we have—in abundance. We just can't ignore this resource or the incredible potential that it has not just to generate electricity, but as a potential transportation fuel source. The challenges that we face today—and they are challenges which I firmly believe can be overcome with the right combination of resources and American know-how—is how to use coal to produce energy in cleaner ways than we do now, and to accelerate development of carbon capture and sequestration, CCS, technologies to see to it that we don't make our current climate problems worse.

In addition to the bill I am introducing today, in West Virginia we have been working with major companies and our coal industry to promote some exciting next generation projects that will produce a range of value-added products out of coal—electricity, chemical feedstocks, fertilizer, diesel and aviation fuels. If we can pull off what we are trying to do, it will be, in a word, transformational.

My colleagues know that from Maine to California, West Virginia to Washington State, our constituents are paying more at the gasoline pump, in the supermarket aisles, and for virtually everything else. American families are being crushed by the weight of the rising cost of living—especially our seniors, veterans, and low-income families, who often live on fixed incomes. They are looking for solutions, not lengthy and circular debates on how this energy crisis came about and who is to blame for not fixing it. They are looking for the people they sent to Washington to examine all the options, work together for the common good, and to stop playing partisan or parochial games.

As a Senator from West Virginia, I can tell you that the people of my State know a thing or two about coal. They know that from small towns to major cities, from the Capitol building to the Vegas strip, coal generates nearly 50 percent of the Nation's electricity. It lights our homes, schools, and workplaces, and while the summer sun beats down, coal-burning power plants keep us cool. West Virginians, like so many others in this country who have considered our energy options, understand that coal also has the potential to run our cars and trucks and keep our planes flying. West Virginians—like the relatively few of us who are proud to call ourselves Coal State Senators—understand that the only thing keeping us from turning this promise into a reality is a laser-focused commitment from our government and the Nation's industries to unleash good old American ingenuity.

The Future Fuels Act can be the foundation for our efforts. In a way not seen since the Manhattan Project helped us win World War II, and at least not since we fulfilled President

Kennedy's promise to put a man on the Moon and bring him safely back to Earth, the Future Fuels Act would bring together the best minds in government and the private sector to figure out commercially viable solutions to carbon capture and sequestration. In achieving what is undoubtedly the greatest environmental challenge of this century, the best minds throughout the world, working together, will renew the promise of a better standard of living that coal showed the world at the dawn of the industrial age. For Americans blessed with abundant reserves of this resource, the Future Fuels Act can allow coal to be the source of most of the clean energy we must have in the coming decades.

I understand there are those who believe that coal can never be part of the solution, because its detractors have made it such a poster child of the problem. Let's be honest. No energy policy choice can be made that does not have an environmental consequence. Oil drilling obviously does—and mining coal does, as well.

But it is not just the use of fossil fuels that has consequences. Wind power probably has more than its fair share of detractors, due to perceived threats to migratory birds and bats, and what some consider an unacceptable disruption of scenic vistas. Ethanol has been blamed for rising food prices and for the minimal value of the energy it produces relative to its production costs. Nuclear energy is touted by its proponents as a carbon-free option that should have its share of the nation's electricity generation expanded. Yet we have never figured out what to do about the permanent storage of, and human health and safety concerns regarding, highly radioactive waste with a half-life measured in tens of thousands of years. It is clear to me, at least, that the fundamentally flawed Yucca Mountain plan is not the answer. Natural gas-powered plants emit somewhat less than coal-fired plants, but are still not clean. In any event, installing new gas pipelines or trying to open a liquefied natural gas terminal inevitably runs utilities into the classic problem of "not in my backyard," or NIMBY. The point is we need to find energy alternatives that are accessible, can be used wisely, preserve our standard of living, and make positive strides to heal our broken world.

Anyone who has watched the nightly news lately or who has read a news-magazine in the last several years knows that global climate change is no longer cloaked in uncertainty or shrouded in doubt. The sheer repetition of major meteorological calamities renders discussion of "storms of the century" mute. Meanwhile, all too frequently floods, hurricanes, and typhoons are characterized as "500-year events." We've watched the floodwaters rise in the heartland of America, forest fires rage out West, and both our Atlantic and Pacific coastlines battered by more common storms. The

permafrost in the Arctic Tundra is thawing and releasing methane, and the polar ice caps are melting. Growing seasons are changing, and temperate zones are shifting. The damaging effects of global climate change are not suffered only by humanity; an increasing number of plant and animal species are facing extinction.

Whether you believe that climate change is happening or not; whether you accept the science of it all, or not, is beside the point. One thing is clear—we can't afford to be wrong, and doing nothing is not an option any longer. Our national policy can not be to merely clean up after more and more terrible weather affects more and more parts of the country—we'll go steadily more bankrupt if we do. We need to start addressing the root cause of it all—and that means fundamental changes in the ways we harness the immense power of fossil fuels, like coal, and permanent solutions for the carbon produced.

To do this, my legislation will expand incentives for clean coal technologies, establish an incentive to capture a potent greenhouse gas currently being vented into the atmosphere, create a low-cost program to promote responsible conversion of coal to transportation fuels, help develop new pipeline networks connecting the coalfields to the gas pump, and devote substantial resources to enable government and private sector scientists to turn the corner on commercially viable CCS.

The United States has more than a 250-year supply of coal stored beneath the hills of Appalachia and in several places around the country. To use this abundance in a responsible and environmentally appropriate way, the Future Fuels Act will do the following:

It will expand tax incentive and clean coal energy bond programs in current law designed to defray costs incurred by investor-owned utilities and public power providers when they choose advanced clean coal technologies to replace and supplement our current fleet of electricity generating plants. We have provided money for this purpose over the last decade, but given the scope of the challenge, we have up until now provided pennies on the dollar. The Future Fuels Act will provide \$10.3 billion—\$8.3 billion in expanded clean coal tax incentives and an additional \$2 billion for municipal and cooperative energy providers in clean coal energy bonds.

It will establish a new incentive available to companies that mine coal underground to capture and sequester methane. Methane is more than 20 times as potent a heat-trapping greenhouse gas as an equal volume of carbon dioxide. It is liberated as a natural by-product of the excavation of coal, and is currently vented to prevent explosions and to purify the air coal miners breathe. This incentive would allow coal companies that voluntarily capture methane and prevent it from being

released into the atmosphere to offset some of the costs of that capture.

It will create a “stand-by” loan program for development of environmentally responsible coal conversion facilities. Coal-based fuel developers would receive no Federal funds to build or operate their facilities, but would be able to tap into a loan program with strict repayment terms when the world price of oil drops below a figure to be set in statute. As a frustrating summer of high gasoline prices and airlines teetering on the edge of collapse because of high jet fuel costs makes clear, we need a new set of solutions to meet our energy demand. The Future Fuels Act will move us toward a time when we can run our cars, trucks, planes, and trains with domestic coal-derived fuel.

It will establish a tax incentive for the construction of pipeline infrastructure to bring coal-based fuels to the marketplace. Because our current network of oil and gas pipelines serves, naturally, where oil and gas is found, it may not be adequate or geographically able to serve new sources of fuels in the coalfields of Appalachia and other regions of the country where coal conversion facilities might be built. This incentive would encourage pipeline companies to build out to new locations with untapped potential in coal reserves.

But the Future Fuels Act is not just about using coal. It is about meeting the challenge of using coal in the carbon-constrained future we know is coming. The Future Fuels Act does this by harnessing the wisdom, scientific knowledge, and creativity of both government scientists and their private sector counterparts.

First, it would put into motion the kind of massive research, development, demonstration, and technology deployment program we should have seen from the current Administration, which had promised to be a friend to coal, only to walk away from ongoing coal initiatives in our Federal laboratories. Instead of doing the work that would establish a sustainable future for coal, the Administration first denied climate change was a problem, and then cut the fossil fuel R&D. Consequently, we have lost eight years’ worth of serious efforts to develop commercial-scale carbon capture and sequestration, or CCS, options. This is utterly inexcusable, but by increasing the size and investment in government CCS R&D, my legislation attempts to make up for that lost time. Our national labs have done groundbreaking work, especially West Virginia, but they have not been given the resources they need to truly accelerate their research and make it commercially available. In contrast, this legislation would authorize \$650 million over the next 5 fiscal years to develop commercial-scale carbon sequestration demonstrations in multiple geological and terrestrial formations, with the goal of storing 1 million tons of carbon dioxide annually.

Finally, my bill would create the Future Fuels Corporation, FFC, a pub-

licly funded but privately operated institution with two primary goals. First, the FFC accelerate research—and more importantly, commercial deployment—of CCS technologies. Without the combination of brainpower and private sector dedication to deadlines and results we may never get CCS technologies off the drawing board and on to power plants and other industrial emitting facilities.

Second, the FFC will work to create new technologies and new production processes to enable the production of coal-based transportation fuels that are not only cleaner than petroleum-based fuels in use today, but which are made in plants that are cleaner, and which cause less environmental disruption than drilling for oil.

Like so many of the other legislative responses to the current energy and economic crisis, my legislation is not a “silver bullet.” It is, however, a sincere attempt to offer American solutions to what is both an American and a global problem.

We can never be truly energy “independent,” but we must resolve to be more energy “resilient.” We can do that when we tap into coal’s still unbound potential. Likewise, we cannot expect the serious problem of global climate change to fix itself. The combination of our abundant coal and the innovative potential of the greatest scientists, technicians, and researchers in American business, academia, and government can make the energy resources of Saudi Arabia seem like a drop in the bucket. We need to foster policies to unleash these brilliant men and women to find and prove a range of carbon storage solutions, and then watch a waiting world beat a path to our doorstep.

Known American coal reserves can produce electricity at current rates—and be converted to transportation fuels in sufficient amounts to supplant more than the petroleum we import from the Persian Gulf and elsewhere—for two centuries or more. No American president will have to call up the Guard and Reserve to secure the coalfields, and no American parent will have trouble falling asleep because they’re concerned about the safety of their son or daughter in uniform because the people who own the energy don’t much like the American presence near the energy.

That is why the Future Fuels Act is so important, and why I commend it to my colleagues.

Mr. President, I ask consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Future Fuels Act of 2008”.

SEC. 2. FUTURE FUELS CORPORATION.

Subtitle A of title XVI of the Energy Policy Act of 2005 (Public Law 109-58; 119 Stat.

1109) is amended by adding at the end the following:

“SEC. 1602. FUTURE FUELS CORPORATION.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—The Future Fuels Corporation (referred to in this section as the ‘Corporation’) is established as a government corporation.

“(2) ADMINISTRATION.—The Corporation shall be subject to—

“(A) this section; and

“(B) chapter 91 of title 31, United States Code.

“(3) BOARD OF DIRECTORS.—

“(A) IN GENERAL.—The Corporation shall be managed by a board of directors composed of 7 individuals who are citizens of the United States, appointed by the President, by and with the advice and consent of the Senate.

“(B) CHAIRPERSON.—The board of directors shall annually elect a Chairperson from among the members of the board of directors.

“(C) TERM.—The term of a member of the board of directors shall be 4 years.

“(4) TRANSFERS.—The Secretary shall transfer to the Corporation, from amounts appropriated and allocated to it, such sums as may be necessary to meet the requirements of this section.

“(b) USE OF FUNDS.—Beginning in fiscal year 2009, funds transferred by the Secretary to the Corporation under subsection (a)(4) shall be expended by the Corporation to—

“(1) promote and deploy coal and coal cofired polygeneration technologies;

“(2) reduce—

“(A) the carbon footprint of coal consumption; and

“(B) the production of coal-based byproducts; and

“(3) conduct widespread carbon sequestration research, development, and deployment activities.”.

SEC. 3. CARBON CAPTURE AND STORAGE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

Section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) is amended—

(1) in the section heading, by striking “AND SEQUESTRATION” and inserting “AND STORAGE”;

(2) in subsection (a), by striking “and sequestration” and inserting “and storage”; and

(3) by striking subsections (c) and (d) and inserting the following:

“(c) PROGRAMMATIC ACTIVITIES.—

“(1) GOAL.—The Secretary shall establish a program under which the Secretary shall conduct activities necessary to achieve the goal of annually sequestering at least 1,000,000 tons of carbon dioxide by January 1, 2015.

“(2) REVIEW OF EXISTING DATA.—Not later than 180 days after the date of enactment of the Future Fuels Act of 2008, the Secretary shall—

“(A) verify and analyze the results of any assessment conducted by any other Federal agency or a State relating to geological storage capacity and the potential for carbon injection rates, including a risk analysis of any potential geologic storage areas assessed; and

“(B) submit to the appropriate committees of Congress a report that describes the results of the verification and analyses under subparagraph (A).

“(3) RECOMMENDATIONS.—As soon as practicable after the date of enactment of the Future Fuels Act of 2008, the Secretary shall submit to the appropriate committees of Congress recommendations on appropriate regulatory and advisory mechanisms for—

“(A) the determination of best technologies;

“(B) the identification and evaluation of state-of-the-art research, development, and deployment strategies for carbon capture and storage technologies;

“(C) the selection and operation of carbon dioxide sequestration sites; and

“(D) the transfer of liability for the sites to the United States.

“(4) INTERSTATE COMPACTS.—As soon as practicable after the date of enactment of this Act, the Secretary shall develop model interstate compacts to govern the transportation, injection, and storage of carbon dioxide.

“(5) DEMONSTRATION PROJECT.—The Secretary shall conduct geological sequestration demonstration projects involving carbon dioxide sequestration operations in a variety of candidate geological settings, including—

“(A) oil and gas reservoirs;

“(B) unmineable coal seams;

“(C) deep saline aquifers;

“(D) basalt and shale formations; and

“(E) terrestrial sequestration, including restoration project sites provided assistance by the Abandoned Mine Reclamation Fund established by section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231).

“(d) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

“(A) \$100,000,000 for each of fiscal years 2009 and 2010;

“(B) \$105,000,000 for fiscal year 2011;

“(C) \$110,000,000 for fiscal year 2012;

“(D) \$115,000,000 for fiscal year 2013; and

“(E) \$120,000,000 for fiscal year 2014.

“(2) AVAILABILITY OF FUNDS.—Funds made available for a fiscal year under paragraph (1)—

“(A) shall remain available until expended, but not later than September 30, 2014; and

“(B) may be reprogrammed, at the discretion of the Secretary, for expenditure for other demonstration projects under this title only after—

“(i) September 30, 2010; and

“(ii) the Secretary provides notice of the proposed reprogramming to the appropriate committees of Congress.”.

SEC. 4. STANDBY LOANS FOR QUALIFYING COAL-TO-LIQUID PROJECTS.

Section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) is amended by adding at the end the following:

“(k) STANDBY LOANS FOR QUALIFYING COAL-TO-LIQUID PROJECTS.—

“(1) DEFINITIONS.—In this subsection:

“(A) CAP PRICE.—The term ‘cap price’ means the market price specified in a standby loan agreement above which the qualifying CTL project is required to make payments to the United States.

“(B) CONVENTIONAL BASELINE EMISSIONS.—The term ‘conventional baseline emissions’ means—

“(i) the lifecycle greenhouse gas emissions of a facility that produces combustible end products, using petroleum as a feedstock, that are equivalent to combustible end products produced by a facility of comparable size through a qualifying CTL project;

“(ii) in the case of noncombustible products produced through a qualifying CTL project, the average lifecycle greenhouse gas emissions emitted by projects that—

“(I) are of comparable size; and

“(II) produce equivalent products using conventional feedstocks; and

“(iii) in the case of synthesized gas intended for use as a combustible fuel in lieu of natural gas produced by a qualifying CTL project, the lifecycle greenhouse gas emis-

sions that would result from equivalent use of natural gas.

“(C) DIRECT LOAN.—The term ‘direct loan’ has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

“(D) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity that conducts a qualifying CTL project.

“(E) FACILITY.—The term ‘facility’ means a facility at which the conversion of feedstocks to end products takes place.

“(F) FULL TERM.—The term ‘full term’ means the full term of a standby loan agreement, as specified in the standby loan agreement under paragraph (2)(A)(ii)(III), which shall not be more than the lesser of—

“(i) 30 years; or

“(ii) 90 percent of the projected useful life of the qualifying CTL project, as determined by the Secretary.

“(G) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term ‘lifecycle greenhouse gas emissions’ means the difference between—

“(i) the aggregate quantity of greenhouse gases attributable to the production and transportation of end products at a facility, including the production, extraction, cultivation, distribution, marketing, and transportation of feedstocks, and the subsequent distribution and use of any combustible end products; and

“(ii)(I) any greenhouse gases captured at the facility and sequestered;

“(II) the carbon content, expressed in units of carbon dioxide equivalent, of any feedstock that is a renewable biomass; and

“(III) the carbon content, expressed in units of carbon dioxide equivalent, of any end products that do not result in the release of carbon dioxide to the atmosphere.

“(H) LONG-TERM STORAGE.—The term ‘long-term storage’ means sequestration with an expected maximum rate of carbon dioxide leakage over a specified period of time that is consistent with the objective of reducing atmospheric concentrations of carbon dioxide, subject to a permit issued under any law in effect as of the date of the sequestration.

“(I) MARKET PRICE.—The term ‘market price’ means the average quarterly price of a petroleum price index specified in the standby loan agreement.

“(J) MINIMUM PRICE.—The term ‘minimum price’ means a market price specified in the standby loan agreement below which the United States is obligated to make disbursements to the qualifying CTL project.

“(K) OUTPUT.—The term ‘output’ means all or a portion of the liquid or gaseous transportation fuels produced from the qualifying CTL project, as specified in the standby loan agreement.

“(L) PRIMARY TERM.—The term ‘primary term’ means the initial term of a standby loan agreement, as specified in the agreement under paragraph (2)(A)(ii)(II), which shall not be more than the lesser of—

“(i) 20 years; or

“(ii) 75 percent of the projected useful life of the qualifying CTL project, as determined by the Secretary.

“(M) QUALIFYING CTL PROJECT.—The term ‘qualifying CTL project’ means a commercial-scale project that converts coal to industrial feedstocks or 1 or more liquid or gaseous fuels for transportation or other uses or a project conducted at a facility that converts petroleum refinery waste products (including petroleum coke) into 1 or more liquid or gaseous transportation fuels—

“(i) that demonstrates the capture, sequestration, disposal, or use of the carbon dioxide produced in the conversion process; and

“(ii) for which—

“(I) the annual lifecycle greenhouse gas emissions of the project are at least 20 per-

cent lower than conventional baseline emissions;

“(II) at least 75 percent of the carbon dioxide that would otherwise be released to the atmosphere at the facility in the production of end products of the project is captured for long-term storage; and

“(III) the eligible entity has entered into an enforceable agreement with the Secretary to implement carbon capture at the percentage that, by the end of the 5-year period after commencement of commercial operation of the eligible qualifying CTL project—

“(aa) represents the best available technology; and

“(bb) achieves a reduction in carbon emissions that is not less than 75 percent.

“(N) STANDBY LOAN AGREEMENT.—The term ‘standby loan agreement’ means a loan agreement entered into under paragraph (2)(A)(i).

“(2) AGREEMENTS.—

“(A) STANDBY LOAN AGREEMENT.—

“(i) IN GENERAL.—The Secretary may enter into standby loan agreements for the conduct of not more than 10 qualifying CTL projects, at least 1 of which may be a qualifying CTL project primarily designed to produce pipeline-quality natural gas from domestic coal.

“(ii) REQUIREMENTS.—A standby loan agreement entered into under clause (i) shall—

“(I) provide for a direct loan from the Secretary to the eligible entity for the qualifying CTL project;

“(II) specify the primary term of the standby loan agreement;

“(III) specify the full term of the standby loan agreement; and

“(IV) establish a cap price and a minimum price for the primary term of the standby loan agreement.

“(B) PROFIT-SHARING AGREEMENT.—

“(i) IN GENERAL.—Simultaneously with entering into a standby loan agreement under subparagraph (A), the Secretary may enter into a profit-sharing agreement with the eligible entity.

“(ii) REQUIREMENTS.—Under a profit-sharing agreement, if the market price exceeds the cap price in a calendar quarter, a profit-sharing payment shall be made for the calendar quarter, in an amount equal to the difference between—

“(I) the amount that is equal to the product obtained by multiplying—

“(aa) the amount that is equal to the difference between—

“(AA) the market price; and

“(BB) the cap price; and

“(bb) the output of the qualifying CTL project; and

“(II) the total amount of any loan repayments made for the calendar quarter.

“(3) LOAN DISBURSEMENTS.—

“(A) DISBURSEMENT.—A loan subject to a standby loan agreement shall be disbursed during the primary term of the standby loan agreement during any period in which the market price falls below the minimum price.

“(B) AMOUNT.—

“(i) IN GENERAL.—Subject to subparagraph (B), the total amount of disbursements in any calendar quarter under subparagraph (A) shall be equal to the product obtained by multiplying—

“(I) the difference between—

“(aa) the minimum price; and

“(bb) the market price; and

“(II) the output of the qualifying CTL project.

“(ii) LIMITATION.—Notwithstanding clause (i), the total amount of disbursements in any calendar quarter shall be not more than the total amount of disbursements specified in the applicable standby loan agreement.

“(4) LOAN REPAYMENTS.—

“(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall establish terms and conditions, including interest rates and amortization schedules, for the repayment of a loan under this subsection within the full term of the standby loan agreement.

“(B) LIMITATIONS.—In establishing the terms and conditions under subparagraph (A), the Secretary shall provide that—

“(i) if, in any calendar quarter during the primary term of the standby loan agreement, the market price is less than the cap price—

“(I) the qualifying CTL project may elect to defer some or all of the repayment obligations due during the applicable calendar quarter; and

“(II) if an election is made under subclause (I), any unpaid obligations will continue to accrue interest during the deferral period;

“(ii)(I) if, in any calendar quarter during the primary term of the agreement, the market price is greater than the cap price, the qualifying CTL project shall meet the scheduled repayment obligation and any deferred repayment obligations, but shall not be required to pay in the applicable calendar quarter an amount that is more than the product obtained by multiplying—

“(aa) the amount that is equal to the difference between—

“(AA) the market price; and

“(BB) the cap price; and

“(bb) the output of the qualifying CTL project; and

“(II) the qualifying CTL project may elect to defer any repayment obligation in excess of the amount determined under subclause (I); and

“(C) at the end of the primary term of the standby loan agreement, the cumulative amount of any deferred repayment obligations and any accrued interest shall be amortized (with interest) over the remainder of the full term of the standby loan agreement.

“(5) COMPLIANCE WITH FEDERAL CREDIT REFORM ACT.—

“(A) UPFRONT PAYMENT OF COST OF LOAN.—No standby loan agreement may be entered into under this subsection unless the eligible entity, on execution of the standby loan agreement, makes an upfront payment to the United States that the Director of the Office of Management and Budget determines is equal to the cost of the loan, as determined under 502(5)(B) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(B)).

“(B) MINIMIZATION OF RISK TO THE GOVERNMENT.—In making the determination of the cost of the loan for purposes of establishing the upfront payment under subparagraph (A), the Secretary and the Director of the Office of Management and Budget shall take into consideration the extent to which the minimum price and the cap price reflect historical patterns of volatility in actual oil prices relative to projections of future oil prices, based on—

“(i) publicly available data from the Energy Information Administration; and

“(ii) statistical methods and analyses that are appropriate for the analysis of volatility in energy prices.

“(C) TREATMENT OF PAYMENTS.—

“(i) IN GENERAL.—The value to the United States of an upfront payment under subparagraph (A) and any profit-sharing payments under paragraph (2)(B) shall be taken into account for purposes of section 502(5)(B)(iii) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(B)(iii)) in determining the cost to the Federal Government of a loan under this subsection.

“(ii) NO COST.—If a loan under this subsection has no cost to the Federal Government, the requirements of section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall be considered to be satisfied.

“(6) APPLICABLE LAW.—

“(A) NO DOUBLE BENEFIT.—A qualifying CTL project receiving a loan under this subsection may not, during the primary term of the standby loan agreement, receive a Federal loan guarantee under—

“(i) subsection (a); or

“(ii) any other law.

“(B) SUBROGATION, FEES, AND FULL FAITH AND CREDIT.—Subsections (g)(2), (h), and (j) shall apply to standby loans under this subsection to the same extent the provisions apply to loan guarantees.”.

SEC. 5. CREDIT FOR MULTI-PRODUCT PIPELINE CONSTRUCTION.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 45Q. COAL-BASED TRANSPORTATION FUEL PIPELINE CREDIT.

“(a) IN GENERAL.—For purposes of section 38, in the case of an eligible taxpayer, the coal-based transportation fuel pipeline credit for any taxable year is an amount equal to the applicable amount for each gallon of qualified average daily throughput with respect to an eligible pipeline during the taxable year.

“(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount is an amount equal to—

“(1) \$0.02 per gallon for the first 1,000,000 gallons of qualified average daily throughput; and

“(2) \$0.01 per gallon for the number of gallons of qualified average daily throughput in excess of 1,000,000 gallons.

“(c) QUALIFIED AVERAGE DAILY THROUGHPUT.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified average daily throughput’ means the average of the amount of qualified fuel which enters the eligible pipeline on each day during the taxable year.

“(2) TERMINATION.—

“(A) IN GENERAL.—No amount of qualified fuel entering an eligible pipeline shall be taken into account for any day after December 31, 2015.

“(B) SPECIAL RULE.—In the case of any taxable year which includes December 31, 2015, any day in such taxable year following such date shall not be taken into account in determining the qualified average daily throughput for such year.

“(d) OTHER DEFINITIONS.—For purposes of this section—

“(1) ELIGIBLE TAXPAYER.—The term ‘eligible taxpayer’ means any taxpayer who owns an eligible pipeline.

“(2) ELIGIBLE PIPELINE.—The term ‘eligible pipeline’ means a pipeline—

“(A) the original use of which commences with the taxpayer,

“(B) which is placed in service by the taxpayer after the date of the enactment of this Act and before December 31, 2012,

“(C) no written binding contract for the construction of which was in effect on or before December 31, 2007, and

“(D) which is used for the transportation of fuels derived from coal.

Rules similar to the rules of section 179C(c)(2) shall apply for purposes of this paragraph.

“(3) QUALIFIED FUEL.—The term ‘qualified fuel’ means any liquid fuel derived from coal, or coal and biomass (as defined in section 45K(c)(3)) through the Fischer-Tropsch processor another process converting coal into liquid fuel.”.

(b) CONFORMING AMENDMENT.—Section 38(b) of such the Internal Revenue Code of 1986 (relating to general business credit) is amended by striking “plus” at the end of paragraph (32), by striking the period at the end of

paragraph (33) and inserting “, plus”, and by adding at the end of following new paragraph:

“(34) the coal-based transportation fuel pipeline credit under section 45Q(a).”.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code (relating to other credits) is amended by adding at the end the following new section:

“Sec. 45Q. Coal-based transportation fuel pipeline credit.”.

(d) EFFECTIVE DATE.—The amendments made by this subsection shall apply to property placed in service after the date of the enactment of this Act.

SEC. 6. INCENTIVES TO CAPTURE COALMINE METHANE.

(a) IN GENERAL.—Section 45K of the Internal Revenue Code of 1986 (relating to credit for producing fuel from a nonconventional source) is amended by adding at the end the following new subsection:

“(h) APPLICATION TO COALMINE METHANE GAS.—

“(1) IN GENERAL.—This section shall apply to coalmine methane gas—

“(A) captured or extracted by the taxpayer after the date of the enactment of this subsection and before the date that is 5 years after the date of the enactment of this subsection; and

“(B) utilized as a fuel source or sold by or on behalf of the taxpayer to an unrelated person after the date of the enactment of this subsection and before the date that is 5 years after the date of the enactment of this subsection.

“(2) COALMINE METHANE GAS.—For purposes of this paragraph, the term ‘coalmine methane gas’ means any methane gas which is—

“(A) liberated during qualified coal mining operations; or

“(B) extracted up to 5 years in advance of qualified coal mining operations as part of a specific plan to mine a coal deposit.

“(3) SPECIAL RULE FOR ADVANCED EXTRACTION.—In the case of coalmine methane gas which is captured in advance of qualified coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine methane gas was removed.

“(4) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of subparagraphs (B) and (C), coal mining operations which are not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be qualified coal mining operations during such period.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. EXPANDED CLEAN COAL TECHNOLOGY INCENTIVES.

(a) EXPANSION AND MODIFICATION OF ADVANCED COAL PROJECT INVESTMENT CREDIT.—

(1) CREDIT RATE PARITY AMONG PROJECTS.—Section 48A(a) of the Internal Revenue Code of 1986 (relating to qualifying advanced coal project credit) is amended by striking “equal to” and all that follows and inserting “equal to 30 percent of the qualified investment for such taxable year.”.

(2) EXPANSION OF AGGREGATE CREDITS.—Section 48A(d)(3)(A) of such Code (relating to aggregate credits) is amended by striking “\$1,300,000,000” and inserting “\$8,300,000,000”.

(3) AUTHORIZATION OF ADDITIONAL PROJECTS.—

(A) IN GENERAL.—Subparagraph (B) of section 48A(d)(3) of such Code (relating to aggregate credits) is amended to read as follows:

“(B) PARTICULAR PROJECTS.—Of the dollar amount in subparagraph (A), the Secretary is authorized to certify—

“(i) \$800,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(i),

“(ii) \$500,000,000 for projects which use other advanced coal-based generation technologies the application for which is submitted during the period described in paragraph (2)(A)(i),

“(iii) \$4,200,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(ii), and

“(iv) \$2,800,000,000 for other advanced coal-based generation technology projects the application for which is submitted during the period described in paragraph (2)(A)(ii).”

(B) APPLICATION PERIOD FOR ADDITIONAL PROJECTS.—Subparagraph (A) of section 48A(d)(2) of such Code (relating to certification) is amended to read as follows:

“(A) APPLICATION PERIOD.—Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant may only submit an application—

“(i) for an allocation from the dollar amount specified in clause (i) or (ii) of paragraph (3)(A) during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1), and

“(ii) for an allocation from the dollar amount specified in clause (iii) or (iv) of paragraph (3)(A) during the 3-year period beginning at the earlier of the termination of the period described in clause (i) or the date prescribed by the Secretary.”

(C) CAPTURE AND SEQUESTRATION OF CARBON DIOXIDE EMISSIONS REQUIREMENT.—Section 48A(e)(1) of such Code (relating to requirements) is amended by striking “and” at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting “, and”, and by adding at the end the following new subparagraph:

“(G) in the case of any project the application for which is submitted during the period described in paragraph (2)(A)(ii), the project includes equipment to separate and sequester 65 percent of such project's total carbon dioxide emissions.”

(4) NAMEPLATE CAPACITY.—Paragraph (1) of section 48A(e) of such Code is amended by adding at the end the following new flush sentence:

“For purposes of subparagraph (C), in determining total nameplate generating capacity, the Secretary shall use the electric output that is guaranteed by the provider or supplier of the advanced coal-based generation technology based upon a certified heat and material heat balance.”

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) CLEAN COAL ENERGY BONDS.—

(1) IN GENERAL.—Subpart I of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 54C. CLEAN COAL ENERGY BONDS.

“(a) CLEAN COAL ENERGY BOND.—For purposes of this subchapter, the term ‘clean coal energy bond’ means any bond issued as part of an issue if—

“(1) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean coal energy bond limitation under subsection (c)(2),

“(2) 100 percent or more of the available project proceeds from the sale of such issue are to be used for capital expenditures incurred by qualified borrowers for 1 or more qualified projects, and

“(3) the qualified issuer designates such bond for purposes of this section and the bond is in registered form.

“(b) QUALIFIED PROJECT; SPECIAL USE RULES.—

“(1) IN GENERAL.—The term ‘qualified project’ means a qualifying advanced coal project (as defined in section 48A(c)(1)) placed in service by a qualified borrower.

“(2) REFINANCING RULES.—For purposes of subsection (a)(2), a qualified project may be refinanced with proceeds of a clean coal energy bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

“(3) REIMBURSEMENT.—For purposes of subsection (a)(2), a clean coal energy bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

“(A) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a clean coal energy bond,

“(B) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

“(C) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

“(4) TREATMENT OF CHANGES IN USE.—For purposes of subsection (a)(2), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a clean coal energy bond.

“(c) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

“(1) NATIONAL LIMITATION.—There is a national clean coal energy bond limitation of \$2,000,000,000.

“(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate, except that the Secretary may not allocate more than \$1,250,000,000 of the national clean coal energy bond limitation to finance qualified projects of qualified borrowers which are governmental bodies.

“(d) QUALIFIED ISSUER; QUALIFIED BORROWER.—For purposes of this section—

“(1) QUALIFIED ISSUER.—The term ‘qualified issuer’ means—

“(A) a clean coal energy bond lender,

“(B) a cooperative electric company, or

“(C) a governmental body.

“(2) QUALIFIED BORROWER.—The term ‘qualified borrower’ means—

“(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C), or

“(B) a governmental body.

“(3) COOPERATIVE ELECTRIC COMPANY.—The term ‘cooperative electric company’ means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

“(4) CLEAN COAL ENERGY BOND LENDER.—The term ‘clean coal energy bond lender’ means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall

include any affiliated entity which is controlled by such lender.

“(5) GOVERNMENTAL BODY.—The term ‘governmental body’ means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

“(e) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a clean coal energy bond which is a pooled financing bond may be allocable to any loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

“(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) POOLED FINANCING BOND.—The term ‘pooled financing bond’ shall have the meaning given such term by section 149(f)(4)(A).

“(2) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean coal energy bond unless it is part of an issue which provides for an equal amount principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period).

“(g) TERMINATION.—A bond shall not be treated as a clean coal energy bond if such bond is issued after December 31, 2012.”

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 54A(d) is amended to read as follows:

“(1) QUALIFIED TAX CREDIT BOND.—The term ‘qualified tax credit bond’ means—

“(A) a qualified forestry conservation bond, or

“(B) a clean coal energy bond, which is part of an issue that meets requirements of paragraphs (2), (3), (4), (5), and (6).”

(B) Subparagraph (C) of section 54A(d)(2), as added by section 106, is amended to read as follows:

“(C) QUALIFIED PURPOSE.—For purposes of this paragraph, the term ‘qualified purpose’ means—

“(i) in the case of a qualified forestry conservation bond, a purpose specified in section 54B(e), and

“(ii) in the case of a clean coal energy bond, a qualified project specified in section 54C(b).”

(C) The table of sections for subpart I of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 54C. Clean coal energy bonds.”

(3) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issue regulations required under section 54C of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to bonds issued after December 31, 2007.

(c) TAX CREDIT FOR CARBON DIOXIDE SEQUESTRATION.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business credits), as amended by this Act, is amended by adding at the end the following new section:

“SEC. 45R. CREDIT FOR CARBON DIOXIDE SEQUESTRATION.

“(a) GENERAL RULE.—For purposes of section 38, the carbon dioxide sequestration credit for any taxable year is an amount equal to the sum of—

“(1) \$20 per metric ton of qualified carbon dioxide which is—

“(A) captured by the taxpayer at a qualified facility, and

“(B) disposed of by the taxpayer in secure geological storage, and

“(2) \$10 per metric ton of qualified carbon dioxide which is—

“(A) captured by the taxpayer at a qualified facility, and

“(B) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project.

“(b) QUALIFIED CARBON DIOXIDE.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified carbon dioxide’ means carbon dioxide captured from an industrial source which—

“(A) would otherwise be released into the atmosphere as industrial emission of greenhouse gas, and

“(B) is measured at the source of capture and verified at the point of disposal or injection.

“(2) RECYCLED CARBON DIOXIDE.—The term ‘qualified carbon dioxide’ includes the initial deposit of captured carbon dioxide used as a tertiary injectant. Such term does not include carbon dioxide that is re-captured, recycled, and re-injected as part of the enhanced oil and natural gas recovery process.

“(c) QUALIFIED FACILITY.—For purposes of this section, the term ‘qualified facility’ means any industrial facility—

“(1) which is owned by the taxpayer,

“(2) at which carbon capture equipment is placed in service, and

“(3) which captures not less than 500,000 metric tons of carbon dioxide during the taxable year.

“(d) SPECIAL RULES AND OTHER DEFINITIONS.—For purposes of this section—

“(1) ONLY CARBON DIOXIDE CAPTURED WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—The credit under this section shall apply only with respect to qualified carbon dioxide the capture of which is within—

“(A) the United States (within the meaning of section 638(1)), or

“(B) a possession of the United States (within the meaning of section 638(2)).

“(2) SECURE GEOLOGICAL STORAGE.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish regulations for determining adequate security measures for the geological storage of carbon dioxide under subsection (a)(1)(B) such that the carbon dioxide does not escape into the atmosphere. Such term shall include storage at deep saline formations and unminable coal seams under such conditions as the Secretary may determine under such regulations.

“(3) TERTIARY INJECTANT.—The term ‘tertiary injectant’ has the same meaning as when used within section 193(b)(1).

“(4) QUALIFIED ENHANCED OIL OR NATURAL GAS RECOVERY PROJECT.—The term ‘qualified enhanced oil or natural gas recovery project’ has the meaning given the term ‘qualified enhanced oil recovery project’ by section 43(c)(2), by substituting ‘crude oil or natural gas’ for ‘crude oil’ in subparagraph (A)(i) thereof.

“(5) CREDIT ATTRIBUTABLE TO TAXPAYER.—Any credit under this section shall be attributable to the person that captures and physically or contractually ensures the disposal of or the use as a tertiary injectant of the qualified carbon dioxide, except to the extent provided in regulations prescribed by the Secretary.

“(6) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any qualified carbon dioxide which ceases to be captured, disposed of, or used as a tertiary injectant in a manner consistent with the requirements of this section.

“(7) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, there shall be substituted for each dollar amount contained in subsection (a) an amount equal to the product of—

“(A) such dollar amount, multiplied by

“(B) the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting ‘2007’ for ‘1990’.

“(e) TERMINATION.—This section shall not apply to qualified carbon dioxide after the date that is 5 years after the date of the enactment of this Act.”.

(2) CONFORMING AMENDMENT.—Section 38(b) of such Code (relating to general business credit), as amended by this Act, is amended by striking “plus” at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting “, plus”, and by adding at the end of following new paragraph:

“(35) the carbon dioxide sequestration credit determined under section 45R(a).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code (relating to other credits), as amended by this Act, is amended by adding at the end the following new section:

“Sec. 45R. Credit for carbon dioxide sequestration.”.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply carbon dioxide captured after the date of the enactment of this Act.

AUTHORIZING PRINTING OF POCKET VERSION OF U.S. CONSTITUTION

Mr. REID. I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 395.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 395) authorizing the printing of an additional number of copies of the 23rd edition of the United States Constitution.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and there be no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 395) was agreed to.

MEASURE READ THE FIRST TIME—S. 3344

Mr. REID. Mr. President, S. 3344 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The bill clerk read as follows:

A bill (S. 3344) to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwanted release of convicted sex offenders.

Mr. REID. Mr. President, I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

The bill will be read a second time on the next legislative day.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR SUNDAY, JULY 27 AND MONDAY, JULY 28, 2008

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m. tomorrow morning, Sunday, July 27, for a pro forma session only; that following the pro forma session, the Senate adjourn until 3 p.m., Monday, July 28; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to S. 3297, a bill to advance America's priorities, and that the time until 4 p.m. be equally divided between the two leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, Senators should be prepared to start voting at about 4 p.m. on Monday. In fact, it will be 4 p.m. Monday because any—we have the prayer time. I ask the Chair, are the prayer and the pledge counted as part of the hour before the cloture vote?

The PRESIDING OFFICER. The majority leader is correct. It does count toward the hour.

Mr. REID. So I would say to everyone, they should be pretty well informed that we will vote at 4 o'clock. Unless something comes up that I do not foresee, we will start voting at 4 o'clock.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 2:01 p.m., adjourned until Sunday, July 27, 2008, at 10 a.m.

Daily Digest

HIGHLIGHTS

Senate completed action on H.R. 3221, Foreclosure Prevention Act.

Senate

Chamber Action

Routine Proceedings, pages S7487–S7537

Measures Introduced: Seven bills were introduced as follows, S3339–3345. **Page S7526**

Measures Reported:

S. 3339, to amend chapter 33 of title 38, United States Code, to clarify and improve authorities relating to the availability of post-9/11 veterans educational assistance. (S. Rept. No. 110–433)

H.R. 5683, to make certain reforms with respect to the Government Accountability Office, with amendments. **Page S7526**

Measures Passed:

Printing Authority: Senate agreed to H. Con. Res. 395, authorizing the printing of an additional number of copies of the 23rd edition of the pocket version of the United States Constitution. **Page S7537**

Measures Considered:

Warm in Winter and Cool in Summer Act: Senate resumed consideration of the motion to proceed to consideration of S. 3186, to provide funding for the Low-Income Home Energy Assistance Program. **Pages S7508–09**

During consideration of this measure today, Senate also took the following action:

By 50 yeas to 35 nays (Vote No. 187), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to close further debate on the motion to proceed to consideration of the bill. **Page S7508**

Senator Reid entered a motion to reconsider the vote by which cloture was not invoked on the motion to proceed to consideration of the bill. **Page S7508**

Subsequently, the motion to proceed was withdrawn. **Page S7509**

Advancing America's Priorities Act: Senate began consideration of the motion to proceed to consideration of S. 3297, to advance America's priorities. **Pages S7509–11**

A motion was entered to close further debate on the motion to proceed to consideration of the bill, and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on cloture will occur on Monday, July 28, 2008. **Page S7509**

A unanimous-consent-time agreement was reached providing that at approximately 3 p.m., on Monday, July 28, 2007, Senate resume consideration of the motion to proceed to consideration of the bill, and that the time until 4 p.m. be equally divided and controlled between the two Leaders, or their designees. **Page S7537**

House Messages:

Foreclosure Prevention Act: By 72 yeas to 13 nays (Vote No. 186), Senate concurred in the amendment of the House of Representatives to the amendment of the Senate to the amendments of the House to the amendment of the Senate to H.R. 3221, to provide needed housing reform, clearing the measure for the President. **Pages S7487–7506**

Withdrawn:

Reid Motion to concur in the amendment of the House of Representatives to the amendment of the Senate to the amendments of the House to the amendment of the Senate to the bill, with Amendment No. 5103, to establish the effective date. **Pages S7487, S7506**

During consideration of this measure today, Senate also took the following action:

Reid Amendment No. 5104 (to Amendment No. 5103), to change the enactment date, fell when Reid Motion to concur in the amendment of the House of Representatives to the amendment of the Senate to the amendments of the House to the amendment

of the Senate to the bill, with Amendment No. 5103, to establish the effective date, was withdrawn.

Pages S7487, S7506

Measures Read the First Time: Page S7526

Additional Cosponsors: Page S7526

Statements on Introduced Bills/Resolutions:
Pages S7526–37

Record Votes: Two record votes were taken today.
(Total—187) Pages S7506, S7508

Adjournment: Senate convened at 9 a.m. and adjourned at 2:01 p.m., until 10 a.m. on Sunday, July 27, 2008. (For Senate's program, see the remarks of the Majority Leader in today's Record on page S7537.)

Committee Meetings

(Committees not listed did not meet)

No committee meetings were held.

House of Representatives

Chamber Action

The House was not in session today. The House is scheduled to meet at 11 a.m. on Monday, July 28, 2008 in pro forma session.

Committee Meetings

No committee meetings were held.

Joint Meetings

No joint committee meetings were held.

COMMITTEE MEETINGS FOR SUNDAY, JULY 27, 2008

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

Next Meeting of the SENATE

10 a.m., Sunday, July 27

Next Meeting of the HOUSE OF REPRESENTATIVES

11 a.m., Monday, July 28

Senate Chamber

Program for Sunday: Senate will meet in a pro forma session.

House Chamber

Program for Monday: To be announced.



Congressional Record

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